

Social Investment Overview

What do we look for?

Key concepts

- What social impact are they seeking to create?
- What does the organisation need investment for?
 - Purchasing/refurbishing assets
 - Working capital (e.g. to support payment by results contract)
 - Bridging finance (e.g. confirmed grant)
 - Expand existing activities/ deliver new services
- Is there an income stream?
- Fit with our aims/funding priorities?
- Affordability?

Due diligence

- We look at:
 - **Organisation** – track record, structure, governance, finances, impact, policies & procedures reach, partners, contracts, risks, aims
 - **Proposal** – business plan, social impact, financial projections, partners, commissioners/customers, risks, viability
 - **Investment** – finance need, affordability, terms, flexibility, co-investors, returns
- 1-6 months
- If approved, legal process before funds released

Terms and investment types

- No set terms – work with the investee
- Minimum £60K, no maximum but around £300K max for direct investment
- Debt, equity, underwriting
- Average 5-7% interest – depends on impact & affordability
- Average 5-7 years – usually no longer than 10 years