

LET'S TALK GOOD FINANCE FOOD FOR GOOD

How have food-based enterprises
harnessed social investment?





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On a scale of 1 - 10, how would you rate your knowledge of social investment?

No knowledge

Rate your understanding of social investment

Excellent knowledge

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The Role of Social Investment

WHAT IS IT?

Social enterprises and charities are dealing with some of the most challenging issues in the UK such as criminal justice, education, employment and training, housing and local facilities, income, rising energy and living costs and financial inclusion.

Social investment is the use of repayable finance to help an organisation achieve its social purpose.



How Does Social Investment Work?



[WATCH THE VIDEO](#)

- Charities and social enterprises may generate a surplus through trading activities, contracts, grants and donations (or a combination of all or some of these).
- This profit / surplus is then used to repay investors.
- Social investment sits alongside donations and grants as another tool in the financial toolbox



Your Financial Toolkit



Trading

DONATE



Donations & fundraising



Contracts or payment by results

Social investment sits alongside donations and grants as another tool that you can use to:

- Help buy an asset
- Maintaining cash flow
- Kick start your organisation
- Grow your work or innovate



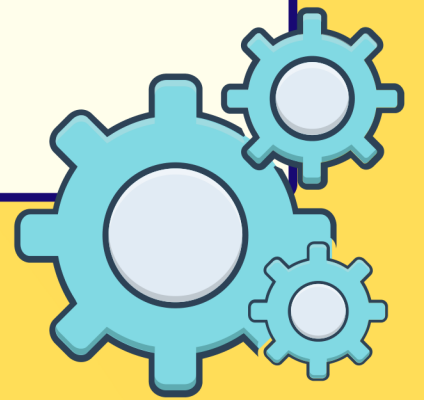
Banks



Social investment



Grants



You may use a combination of these tools depending on your circumstances!

Key Considerations

PURPOSE

What do you need it for?

- Buy an asset
- Maintain cash flow
- Kickstart your business
- Grow / innovate

REPAYMENT

Is there an income stream with surplus/profit?

- Government contracts
- Rental income
- Membership fees
- Donations / trading

IMPACT

What social impact will you create?

- Activities & outcomes
- Who will benefit?
- Measuring & reporting
- Sustainability

85% of social investors are social enterprises or charities



There are two main kinds of social investment products available:

DEBT



This is when an organisation borrows money and pays it back, usually with interest, over a period of time.

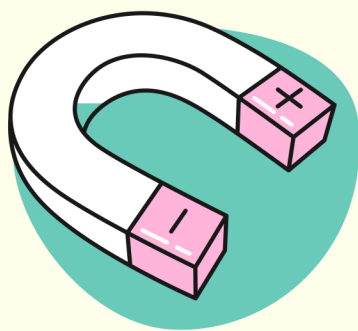
EQUITY



This is when an organisation sells shares to an investor, so they then own a percentage of the organisation.

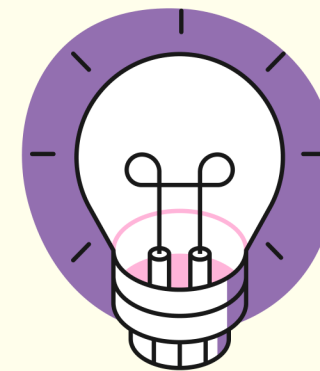
There are two main ways of getting social investment:

ORGANISATION



- Specialist social investment firms
- Social banks
- Trusts and foundations.

INDIVIDUAL



- Crowdfunding
- Community shares
- Angel investors

Who are the funders?



Trusts and
Foundations



Social Investment
Fund Managers



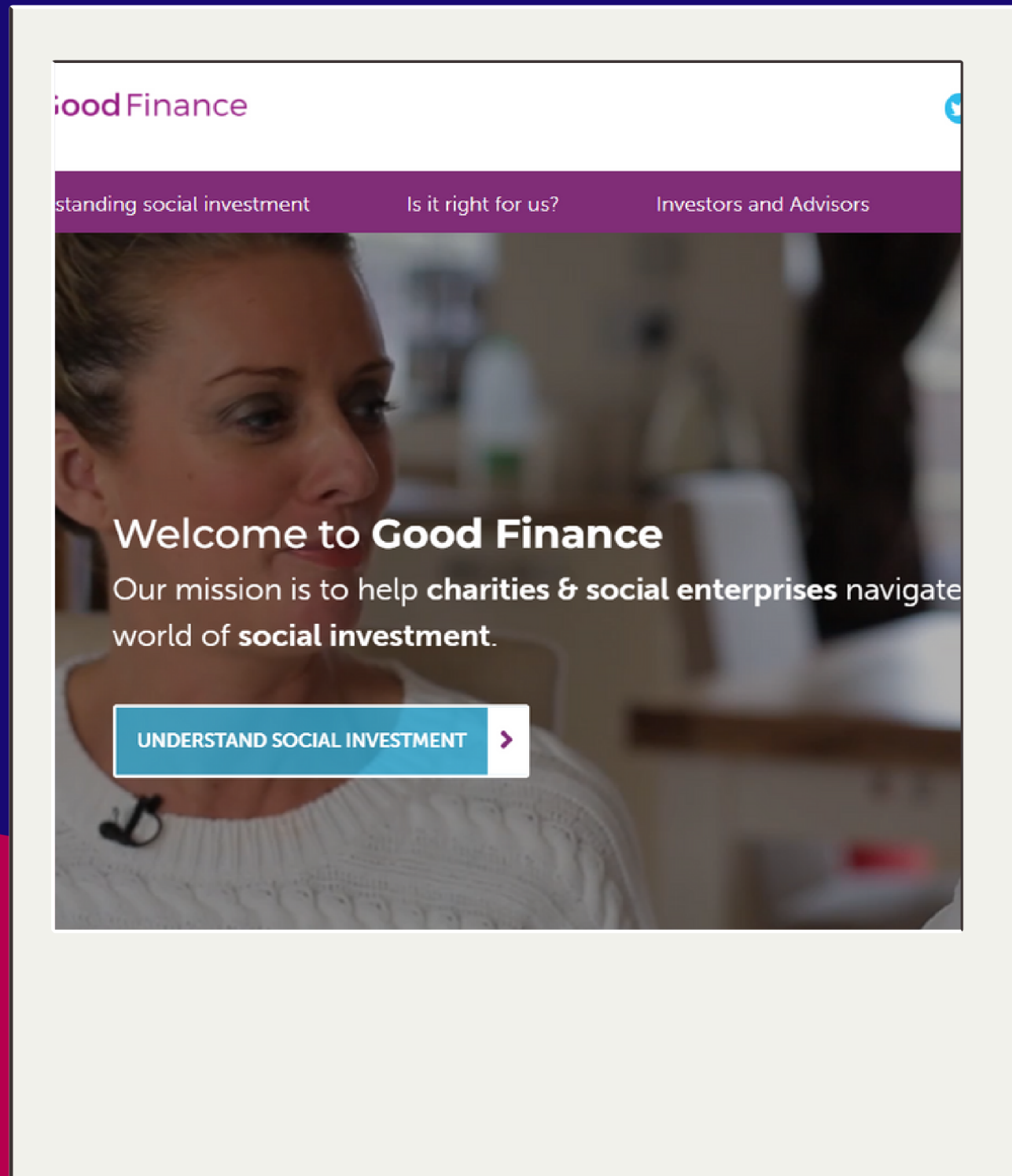
Social
Banks



Individual
Investors



The Role of Good Finance



[VISIT THE WEBSITE](#)

Our mission is to be the single trusted source of information on social investment for charities and social enterprises.

- Improving knowledge on social investment
- Enabling organisations to make informed decisions
- Helping connect organisations to the right investors to talk to based on shared values

Online resources

IS IT RIGHT FOR US?



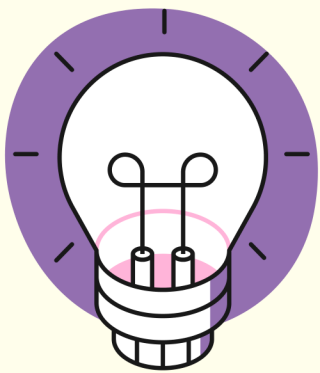
This diagnostic tool will help you to decide whether social investment is right for your organisation.

FUND MAPPER



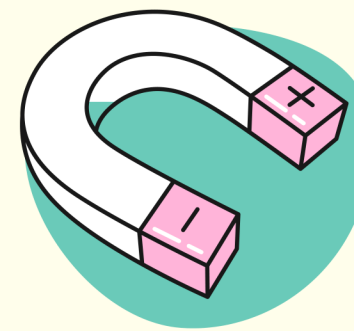
Browse our list of social investors and funds across the UK.

JARGON BUSTER



Breaking down jargon to make social investment language easier to navigate.

COST OF CAPITAL



Find out how much your loan could cost.

Nemi Teas

Nemi Teas are a specialist London-based tea company. They provide employment to refugees, giving them local work experience and job readiness skills to enter the UK workforce and integrate into broader society.

CHALLENGE

To provide employment to refugees, give them local work experience and job readiness skills to enter the job market and help them integrate into broader society.

SOLUTION

Nemi Teas looked for social investment as a means to scale up their business.

REVENUE

Nemi Teas sells tea blends, biodegradable tea bags which support the Fairtrade movement. The Covid-19 pandemic forced Nemi Teas to close their shop and scale up their online offer.

IMPACT

Social investment supported Nemi Teas mission to create positive change through business, employment opportunities and support refugees to secure a local referee to help them enter the UK workforce.



5 years
Duration



9.5%
Cost of Capital



£70,000
Turnover



£50,200
Amount invested



Blended
Product type



UnLtd

Miss Macaroon

Founded by CEO Rosie Ginday MBE, sets aside its profits to fund the store's MacsMAD programme. Producing over 2.5 million tasty macaroons in 50 different flavours, Miss Macaroon has helped improve the lives of 82 people, all aged 18 - 35 years old, over the past decade.

CHALLENGE

The subject of unemployment has been particularly prevalent as of late due to the COVID-19 pandemic, as many across the UK have lost their jobs.

SOLUTION

The money provided, by BCRS Business Loans, enabled the growth of Miss Macaroon's retail business. Scaling the business allowed the organisation to increase its profitability and therefore support even more young people.

REVENUE

Miss Macaroon makes a profit through catering towards individual customer orders and wholesale to for-profit businesses and corporate customers such as John Lewis.

IMPACT

As a result of scaling the business, Miss Macaroon has been able to provide a lot more training and job opportunities for young people with multiple and complete needs.



5 years
Duration



12%
Cost of Capital



N/A
Turnover



£50,000
Amount invested



Un-secured
Product type



Café van Gogh CIC

Café van Gogh is a restaurant with a social and environmental mission in Brixton. Apart from serving delicious vegan and seasonally changing food, the restaurant also provides employment and training opportunities for people additional needs, like learning disabilities and mental health challenges.

CHALLENGE

In 2018, Café van Gogh extended their offering to include breakfast. After some time, it became clear that this did not generate enough income and it caused the cafe to run at a loss. They required an investment to get back on their feet.

SOLUTION

The Directors came to Big Issue Invest to get support of an unsecured loan to support cashflow.

REVENUE

Café van Gogh generates its income via trading, and in addition working with a charity partner, Toucan Employment who supports employees with special needs within the cafe.

IMPACT

Social investment allowed Café van Gogh to bridge a cashflow shortfall to return to profitability and support more people with special needs into training and work.



3-5 years
Duration



7.5%
Cost of Capital



£427,000
Turnover



£19,200
Amount invested



Unsecured
Product type

**THE BIG
ISSUE**
INVEST



7 Lessons Learned

1

Social investment is not benevolent money

2

Impact matters

3

It's about much more than the money

4

Honesty is always the best policy

5

Why isn't it cheaper if it's social?

6

Due diligence isn't fun but it does make your business better

7

It always takes longer than you think

