CASE STUDIES

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SPARTANS COMMUNITY FOOTBALL ACADEMY

Spartans Community Football Academy (SCFA) was established in 2008 with a vision to provide the community of North Edinburgh with a facility to develop the sporting, social and life skills of local children and families. It aims to improve the health, wellbeing and strength of the local community by acting as a focal point to encourage participation in sport and use this as a way to encourage learning and development for parents and children. Already, it is generating remarkable positive impacts, including reduced crime, increased participation in sport by adults as well as children, improved behavior in school, greater self-confidence, team spirit and a love of physical activity. The vision is for SCFA to become and be recognized as one of the top community clubs in Scotland by 2015.

Before 2008, there was (and still is) a successful football club, the Spartans Football Club (SFC), which existed in North Edinburgh. It contributed to some local projects but there was an interest and desire to do more at a community level. Club member Douglas Samuel was employed part-time and with the help of a specialist consultant, gathered data and identified the need for sports facilities and programmes which were community owned and operated, accessible and affordable for all. The combination of meaningful research and interest led Spartans Football Club to create the Spartans Community Football Academy (SCFA), as a separate company limited by guarantee with charitable status. SCFA itself has a wholly owned subsidiary which is the charity's trading arm. Although separate, there is strong connection between SFC Adult and Youth Sections and the SFCA's vision and activities.

Douglas Samuel was appointed as the first manager of SCFA to take forward the vision for the Academy. A first priority was to secure the site for the Academy. SCFA formed a unique partnership with the City of Edinburgh local authority who provided the club with an 80 year lease on a derelict site to develop the community facility. Other partners included Sportscotland, Miller Homes, Big Lottery Fund and several other local and national businesses. Its doors opened in December 2008 and now, in 2012, more than 2000 people use the club facilities each week. SCFA has developed strong links across the local community which has fueled significant growth.

The Chairman of SCFA is Craig Graham, who is also the Chairman of SFC and a partner at KPMG. He, along with his carefully selected Board (which includes accountants, a local headteacher, a partner of a local law firm and representatives of the community) and SFC have driven the creation and development of the charity from concept to operation.

Douglas Samuel, through his background in the private sector, consultancy, project management, HR and training, has brought leadership, knowledge of setting and managing budgets and much more to deliver the ambitious programme on a day to day basis. In less than three years, it is trading sustainably and making a quantifiable social impact in the community. The personnel who developed SFCA are critical to its early success.

1. Finances, Services and Income

As a start-up charity, SCFA needed to build up the entire capital base to see through its vision. It needed to secure £4.3 million from a variety of sources, comprising a series of donations, grants, local authority support and loans. As a charity, SCFA could not offer any equity in its company. SCFA is unusual in moving from start-up to borrower of loan finance in one move, and therefore has not gone through the more typical process of transition from grant to loan finance as it became investment ready. It combines different sources of finance to deliver a package that serves its needs.

Crucially, from the outset SCFA has developed strong parallel revenue streams to ensure it can repay any loan finance it takes on. The current levels of these revenue streams are described below and the expectation of these formed the basis on which grants and loans were made.

Approximately 70% of its £373,000 annual income (2010/11) comes from trading from:

- pitch lettings (c £165,000 largely, but not exclusively from SFC)
- commercial and community programmes, (£30,000)
- licensed café (£55-£60,000)
- car park rental (£6,000)
- local authority contract services to schools, rental space for physiotherapist and birthday party provision (c. £5,000).

The income projection for 2011/12 is £460,000. A new top-end synthetic pitch has seen income from pitch lettings rise dramatically, as SFC makes greater use of this facility for training.

The remaining 30% of its income is generated from a combination of donations, grants and fundraising activities. Grants have come from Trusts such as The Robertson Trust, Gannochy Trust, Children in Need and the BIG Lottery Fund, amongst others.

2. Development / scale up possibilities

Currently, work is underway to extend and improve the facilities including an extended café, community clubroom and changing rooms. Other opportunities to expand its activities include:

- creating licensed products/services e.g. Spartan Smilers (an oral health programme for 3 year olds), other designed products, workshops or outreach programmes across Scotland
- extend customer base e.g. NHS or Education Department could purchase certain services for families / children for health, lifestyle, educational support
- model the entire concept of SFCA to other clubs as a franchise/ replication
- expand the sales activities to increase the customer base for use of the facilities (now increasingly flexible with partition, larger catering facilities as well as improved all weather sports facilities)
- consultancy opportunities for SFCA Manager to support other social enterprises and generate revenue for the Academy.

3. What did SCFA seek finance for?

SCFA sought repayable finance, leveraged on the back of grants that were already secured as part of its initial establishment. This was a true start-up charity that went directly from idea to 'borrower' without a transition phase in which it was seeking to exist purely on grants.

As described in 3 above, these plans were based on the need to ensure that SCFA services were sustainable through developing different revenue sources. However, the sequencing of securing finance was extremely complex given that the organisation had no track record of revenue generation when it approached funders and lenders. Sometimes, one organisation was both of these, e.g. Social Investment Scotland. This is discussed further below in section 6.

4. Finance Secured

SCFA secured the following initial financing package for the construction of the academy:

City of Edinburgh Contribution		£1,000,000
Contribution from Miller Homes		£300,000
Big Lottery Fund grant		£560,000
Sportscotland		£500,000
Spartans Football Club	donation	£225,000
Robertson Trust grant		£40,000
Football Association Trust grant		£25,000
TOTAL		c£2,700,000

Having secured the above package, it then sought to raise the additional funds needed. SCFA secured £900,000 half grant and half loan finance from Social Investment Scotland (SIS). The £450,000 loan was further divided into two tranches, the first £225,000 was provided on an interest free holiday for 5 years provided social return targets were achieved and the second loan of the same amount was given at a rate of 7% interest.

Furthermore, in 2011, SIS offered a further loan of £300,000 on an interest rate of 7% and Big Issue Invest (BII) provided a further £100,000 on similar terms. This brought the total capital base to £4.3m.

SCFA's total loan finance costs are £70,000 per annum. The latest extension and new synthetic pitch will cost c£950,000. This has been funded from loans (SIS £300k, Big Issues Invest £100k) and grant funding including WREN £50k, Sportscotland £100k, The Robertson Trust £100k and Enterprise Growth Fund £150k.

5. Capacity and Capability

Vision, leadership and business skills combined

The clear understanding of the vision of a social mission, combined with detailed business, legal, financial and strategic expertise, underpins the success to date of the SCFA. The vision and expertise have gone hand in hand and are reflected in the composition of the Board and senior staff members. The Chair of the Board made a personal commitment that was hugely time and resource intensive but which drove the process forward in a highly strategic manner.

The Chairman was able to construct a Board which covers all the expertise needed in a community start-up (including lawyers, accountants, finance directors of private companies and community experts). The organisation is managed by an experienced leader, active sportsman and known community networker to form strategic partnerships and express the vision to funders and purchasers.

Use of evidence to underpin social investment application

SCFA carried out an analysis of its Social Return on Investment as part of its application for funds to SIS. This assessed that for every £1 invested in the Academy, it generated £7.63 of social dividend. This gave its application credibility and evidence, which was crucial for an early stage organisation.

The legal structure

Getting the most effective legal structure at the outset is important in ensuring that the organisation secures the most flexible financing arrangement for its own needs. SCFA wanted to be established as a charity to enshrine its sense of public purpose. It needed to trade, so developed its trading arm which gift aids its income back to the parent company. This provides tax efficiency, transparency and enshrines the social mission into the business. The use of 'persistent and robust' legal support combined with the Board's finance director's input meant that the organisation was able to act nimbly as their initial financial package was constructed.

Drawing on and inspiring locals

Douglas Samuel used his wide network of business, community, educational and academic institutions to draw people in to assist SCFA in its early days. A student placement scheme has proven popular with Edinburgh University and local businesses support the organisation in a variety of different ways. This has helped expand the customer base and therefore the revenue generation. On the back of this, it was possible to raise grant finance for the current extension programme.

6. Barriers

Internal barriers

SCFA was fortunate to be able to draw on and internalize considerable expertise through Board membership. The role of networks and professional contacts in this is paramount to a good structure from which to grow. It diluted the barrier that many organisations face of needing to purchase in highly expensive professional expertise at the early stages of development.

Cashflow challenges

Cashflow is a key issue for an organisation such as SCFA. Factors that affected SCFA's revenue base in early days included storm damage, a boiler breakdown and bad weather (heavy snow). A wet summer has a big impact on commercial programmes and a young organisation has difficulty generating the cash reserves required to ride through to service the debt.

There were also challenges in **communicating the start-up process** to all partners equally and in good time. The lessons learned here are that organisation needs to take precious time out from a fast moving process to stop and share the progress with those committed to the enterprise. Without this, a gap can emerge in the commitment or sense of buy-in from key stakeholders.

External Barriers

SCFA faced barriers as a start-up needing to **secure finance** with no ownership of assets. There was a need to seek and secure funders who genuinely believed in the project and to provide them with the evidence, pre-revenue, that this organisation would deliver what it envisioned. The business development money secured from SIS and SFC acted as cornerstone finance and helped to get other investors off 'first base'. The sequencing of the financial package was particularly tricky and demanded flexible alternative solutions when one part of the package was not fully delivered.

Applications for funding from grant bodies were hugely time consuming and not always successful – there is an increasing sense in later applications that the organisation may be a victim of its own success. A strategic approach to applications for funding is necessary but in practice it is broadly determined by the timing and eligibility criteria.

SCFA would welcome some form of **accreditation** scheme which shows grantors that previous grants secured by applicants have achieved the outcomes they set out to deliver. Without such a mechanism, SCFA have found that it can be hard to distinguish itself as a successful organisation who should be funded to generate more social impact.

7. Investment Readiness

SCFA developed a flexible mixed finance package to start its operations. It has since secured repayable finance from SIS and BII. With a track record of three years, a variety of revenue streams and a clear social impact, future requests for finance are likely to be viewed positively. It overcame the tough stage of securing finance before it had begun trading. The fact that it is generating sufficient revenue (forecast to grow) to repay all its finance suggests that investors judged its potential well.

8. Typology

Secured finance

9. Lessons learned

- Building a social enterprise on the basis of a commitment to a vision, and the importance of building a committed team of well-informed professionals to see it through; internalize skills where possible
- Use local networks fully to ensure that the organisation has the maximum chance of success and that is founded on meeting local need and delivering impact
- Communicate the business and social message effectively to all stakeholders
- Ensure there is nimble creativity in the business model
- Develop parallel revenue streams for maximum security
- Take the leap of faith – invest to generate (more) revenue
- Reassess the mission and the model regularly – revise as necessary

SCOPE

Scope was founded in 1952 by a group of parents hoping to change both attitudes and support for their disabled children. Each parent contributed £5 of funding. The charity now raises and spends around £100m each year, helping around 500,000 disabled people and their families across England and Wales.
Scope has three main activities:

- Support and information services: including help and advice on education and leisure, communication, point of diagnosis support, and financial issues. Funding for these activities comes from mixed sources.
- Services for disabled people and their families: including residential care and supported living, employment and training, and short breaks. Much of this is statutorily funded.
- Campaigning: Scope campaigns, alongside the people it works with, on issues relevant to disabled people's lives, such as social care and benefits, inclusion and participation, and disability discrimination. At the moment, for example, the charity is lobbying on the proposed changes to the DLA (disability living allowance). This is not a revenue-generating activity and requires access to donations.

1. Investment Readiness

Key financial data: £100m turnover; total assets £50m; net assets £32m; loans c£6.5m. Fees, grants and trust income £65m; voluntary income £14m; net income from shops £1m.

After a difficult period in the mid to late 2000s, when Scope was running either at deficit or on a very small surplus, the past couple of years have seen a turnaround. In 2010/2011 Scope turned in a surplus of over £4m on higher than usual income of £104m, and secured net current assets of £10m, even taking into consideration its debt financing.

Scope's net income of c £80m comes from three main sources (2010/2011 accounts):

- Fees and grants (£64m in 2010/2011). Fees represent 70% of Scope's overall income
- Donations from the public (£14m). One third from legacies, two-thirds from donations
- Shop income (£23m). However, if costs of the shops are netted off, the net contribution after allocated support costs is £1m

Investment income is small and sale of assets is quite lumpy but has helped the charity's return to a decent level of surplus in 2009/2010.

2. Developments

Scope has so far been involved in four separate loan financing projects: loan from Social Investment Business in 2009; the Grangewood project of 2010, followed by this year's similar Ashurst project; and a £20m bond, the first tranche of which will help to finance 100 new shops, now being launched (discussed further in Section 4). The investment from Social Investment Business in 2009 to develop new services was its first step in taking on sizeable debts. It triggered a growth in Scope's financial skills and confidence.

- 2009 £5.1m loan from Social Investment Business

  This is a long-term loan, repayable over 15 years: £2.6m of it at 6%, the remainder at 2%. The loan was taken out to expand and develop services for disabled young people with complex needs, including accommodation and care services for young people leaving school, expanded education provision at a Scope school and fostering service. The loan is repaid from future income streams, mostly fees from local authorities.

- 2010 Grangewood project: £1.8m in 'layered financing', a mix of loans and donations

  The charity needed to raise £1.8m to re-provide a residential institution housing 15 young disabled adults into 15 supported-living flats. The £1.8m broke down as a £750,000 commercial loan and a £1m+ 'philanthropic bundle' - £700,000 of it an interest-free loan, £350,000 donations - divided into 100 units of £10,000 each. The commercial loan (over 10-15 years at 6%) was to be repaid from future income streams (housing benefit); the philanthropic loan (0% for three years) from the sale of the original property, valued at just under £1m.

  The £1.8m was raised and despite the pool of investors being smaller than initially planned (35 instead of 100), between them they provided the full amount. Scope was thus satisfied with the model, though it subsequently had to reallocate the monies (with the agreement of the investors) when planning difficulties for the service proved intractable.

  New Philanthropy Capital (NPC) explored the advantage of Scope's new approach to financing the Grangewood facilities in its report *New facilities, new funding*,[1] highlighting the potential attraction to donors of their philanthropic funding being recyclable and leveraging commercial lending. From Scope's point of view, NPC found several key advantages:

  - Speed: it is quicker to borrow funds than to rely on a lengthy fundraising appeal;
  - Amount: larger sums can be raised via Scope's hybrid philanthropy product than fundraising alone
  - Allocation of resources: valuable unrestricted donations can be used for the charity's other needs
  - Sustainability: if the model works it can be replicated across Scope's other facilities in need of renovation.

  An additional objective was to lever in more financing from donors.

Current capital raising projects include:

- 2011/2012 Ashurst project: £1m, 25% (secured on the building), 25% unsecured 'philanthropic loan' from supporter repaid over 10 years at 0%, half donations

[1] New facilities, new funding: a proposed financing model from Scope. June 2010, New Philanthropy Capital (NPC).

- 2012: **Bond for investment** in shops: £20m, unsecured, listed on the Luxembourg Stock Exchange (Euro MTF)

Further details on these two capital raising projects are given in Section 4.

3. What does Scope want finance for?

Scope wants to diversify its income sources and increase its unrestricted income e.g. through an expansion of the shop chain so it can expand and trial new services that support disabled people and extend its reach. Charitable funding is itself under pressure as the economic downturn continues and statutory spending cuts further reduce income from fees. Scope is using social investment to achieve its objectives and has tailored financial products to particular projects; according to Chief Executive Richard Hawkes *"Scope is an organization with a £100m annual turnover. Charities need to be run just like efficient businesses - businesses that are doing a social good."*[2]

Scope continues to be committed to raising public donations but for ambitious projects requiring large sums, it must also look for alternative forms of financing and alternative approaches to donors. The value in developing the shop chain income stream mooted in the bond described below, is that it is unrestricted. However, investing in shops requires capital and Scope does not want to use income from elsewhere for this, preferring to use its unrestricted income on its charitable purposes.

4. Finance sought

Scope has two current capital raising projects:

1) 2011/2012 **Ashurst project**

£1m, 25% (secured on the building), 25% unsecured 'philanthropic loan' from supporter repaid over 10 years at 0%, half donations

At the time of writing, the financing is 90% secure: £400,000 has been raised in grants from supporters, lacking just £100,000 and it has raised the entire loan contribution. £250,000 has been secured from Charity Bank over a 10-year period at an interest rate of 5½% and £200,000 has been philanthropically loaned for 10 years at 0%.

Scope is replicating the Grangewood approach on the Ashurst project but tweaking the financing model and approach to investors to incorporate lessons learnt e.g. requesting bigger separate loans from investors.

2) 2012 **Bond for investment in shops**

£20m, unsecured, listed on the Luxembourg Stock Exchange (Euro MTF)

[2] 'Scope plans £20m charity bond programme' 30 October 2011, Financial Times

The bond is the latest plank of Scope's finance-raising activities to meet its ambitious plans to expand its chain of shops. Using the debt market to raise the £20m bond also means Scope does not have to deal with myriad investors. The bond is made more attractive to Scope because of its scale and because it allows Scope to engage with new groups such as mainstream investors. NPC believes the improvement in Scope's overall financial performance puts it in a stronger position to develop this type of product than some other charities.

Scope is working with several partners on the bond which is the first of its kind to be issued by a service-providing charity (although Wellcome Trust and Unicef have previously issued similar debt).

The bond will be issued in several tranches. Through its experience with Grangewood and Ashurst, Scope has intuited that investors prefer the lower risk inherent in shorter-term maturities and are happy to receive the lower yields that come with those shorter maturities. £2m has been received for the first tranche from a range of investors including public foundations, private trusts, institutional wealth managers and high net worth investors.

The first tranche of bonds issued under Scope's new £20m bond is to support income generation through the shop chain expansion and increasing the number of regular givers, although subsequent tranches may be used for other purposes. Scope's other options to expand the shop chain would be i) organic (which would be slow) or ii) to use unrestricted donations for which there may be better use. Improving margins on the shops will be key to achieving Scope's objectives of securing an unrestricted income stream after repaying the debt. The chain is 240-strong, and is being aggressively managed by a new Retail Director. After some years of poor profits, 2010/2011 saw the chain beginning to make money: bringing in £23m on costs of £22m, a profit of just under £1m and a profit margin of 4%.

NPC believes the expansion makes sense assuming the planned improvements are achieved. NPC sees shop margins in other charities achieving as much as 20%. A close comparator, Sue Ryder, turned around its 350-strong chain after negligible returns by hiring a new Head of Retail from M&S. It now achieves a 13% margin and its shops contribute £4.5m to income. So Scope's plans, while ambitious, are credible.

5. Capacity and Capability

The charity has strong financial capability within the team (including the Director of Finance and Head of Philanthropy and a newly recruited Independent Financial Analyst) to develop social investment products and negotiate transactions, undertake financial modelling of projects etc. Management understands the need for different financial structures to meet the requirement of projects, for instance appropriate pay-back structures, or levels of donation versus soft or commercial loan. It is also able to source external support where required.

Improving in-house capacity has led to increasing confidence of the Board around the whole concept of social investment, as well as the ability of Scope's executive to deliver projects and repay loans. A 'Resources Committee' oversees financial projects on behalf of the Board, which includes members with financial and business backgrounds. Board support and management buy-in are both crucial to these programmes.

However, the Finance Director and Head of Philanthropy have observed that developing social investment products is extremely time consuming – up to 18 months working on the £20m bond. The Grangewood loans have been pretty heavy administratively, and took 11 months to develop.

It is NPC's observation that Scope appears to be doing a lot of intellectual 'heavy lifting' here, that in a purely commercial financial market might be undertaken by corporate financiers. NPC knows of other charities who are 'watching and seeing' in expectation of finding things easier when they go down the same route, thanks to Scope's efforts.

Scope has nurtured its skills base – in many charities this will likely be a difficulty. NPC does not often see this level of financial sophistication in charities. The puzzle here is whether it should be necessary for other charities to have this level of sophistication, or whether they ought to be able to access these skills externally.

6. Barriers

Internal barriers

- Sustainability of revenues: Scope has identified sustainable revenues and tailored its financial structures accordingly. However, cuts in statutory funding for individual projects could potentially make servicing a loan quite difficult, if structured too aggressively. A strategy to spread revenues to other sources makes sense.
- Time required to raise finance: hugely resource intensive especially for 'pioneers' of new products where no templates exist or precedents to follow.
- Financial literacy, management capacity, governance and corporate structure: all favourable for Scope at the time of raising investment.
- Governance and management: able to cope with investment, although development of products is time consuming especially because it is pioneering a new types of products; it took 15 months to develop bond programme and 6 months to close the first bonds issue.

External Barriers

- Access to specialist services: external support (e.g. legal advice) is vital; it was able to secure this pro bono or at discounted rates[3] otherwise the deal would not have been cost effective; this raises long term sustainability issues for others in the sector seeking to raise finance needing this support.
- Changing donors into donor-investors: mixed loan/donation package for Grangewood required access to donors willing to countenance new funding models. In practice, Scope found there were fewer donor-

[3] Scope secured discounted support from its external auditors (Pricewaterhouse Coopers) and pro bono legal advice (Linklaters and Weil, Gotshal and Manges).

lenders but each of these was willing to fund larger amounts than expected.[4] An added benefit was that it helped to develop new donor relationships.

- **Access to investors:** through Scope's previous financial activities listed above, it had active relationships with Social Investment Business, Charity Bank, grant making trusts and individual donors. This might be much harder for an organisation building up an investor base from scratch. Scope still had to take considerable time and manpower to create, develop and nurture a donor/investor base to a point where finance is actually raised.
- **FSA restrictions**: meant that to promote loan/donation package, waivers from sophisticated investors were required. This could have been a barrier to reaching target investors and so Scope jointly promoted the bond with its arranger, Investing for Good. This was attractive to Scope because of the new audience it might reach and the scale of financing it aims to secure. NPC's view is this may well be an extra barrier to engaging people (who want information immediately) but we do not yet have evidence of this.

7. Investment readiness steps taken by Scope

- Put in place people with the right operational skills to ensure activities are delivered e.g., the new Retail Director
- Hired people with the financial skills e.g., top quality financial reporting, budgeting and financial modelling skills, ability to develop and negotiate financial products
- Built up experience in taking on debt gradually – starting with the SIB loan, then experimenting with the Grangewood layered model and finally, the bond
- Gradually increased confidence of the management and board
- Accessed affordable external support to get the deal done
- Improved its overall financial position before going out to the market to seek investment by offering the listed bond

8. Typology

Received investment

9. Finance sought/secured

- £6.1m Social Investment Business loan
- £1.8m layered model to fund Grangewood project included a) commercial loan repaid from income stream; b) donor loans with 0% yield repaid from sale of old property and c) donations. Purpose of loan to replace old facilities with new independent living units.

[4] Publicity raised by a front-page FT article on Scope's financing helped attract some of the 35 donor-investors of the Grangewood loan

- Slight variation under development for Ashurst (same purpose as Grangewood)
- £20m bond launched via Investing for Good (favourably reviewed in the Investors' Chronicle)[5]. First £2million tranche for shops expansion fully subscribed.

10. Key Lessons

- Financial expertise is needed in-house
- Good external advisors are required but, if paid for, these could be prohibitively expensive whilst products are innovative
- There needs to be in-house acceptance and support (if not always wild enthusiasm)
- Whilst there may be demand from supporters, it can be risk-averse, especially in times of government cuts, and so prefer shorter maturities
- For shorter maturities, investors seem happy to accept lower yields
- Supporters appear to be happy to give as well as to lend
- Donations still a vital source of income and alternative financing must complement this
- Tailoring different financial structures to the specific needs of each project and the project's income streams is crucial
- Different products serve the different financing needs of its various projects/activities: it is vital to tailor the financial product to project reality
- Retail investors require great effort to reach even though they may well be potentially interested (FSA regulations complicate this)
- Good PR helps with marketing, e.g. a write-up in the FT

Pioneering role:

It is hard to say if the market for such bonds and loan notes is finite and whether other larger charities, whose interest in developing similar products has been stimulated by Scope's pioneering action, will find investor interest.

[5] 'Scope for Ethical Investing', Investors' Chronicle 2 November 2011

MY TIME CIC

My Time CIC provides counselling and confidence building services from its base in Small Heath, Birmingham, England. The organisation provides culturally and faith sensitive mental health services, predominantly to individuals, typically underserved by mainstream health provision such as refugees, ethnic minorities and middle aged men.

My Time was founded in September 2003 and has around 30 staff with £0.5 million pounds turnover. It is a CIC limited by shares. My Time is rather unusual in that the business was originally set up as a conventional private company with a separate charitable trust but was subsequently restructured as a CIC in 2008. Staff at My Time consider it to be a social enterprise but one that has evolved from a private sector background rather than a voluntary or community sector context.

My Time has developed a reputation as an innovative, user-led and award-winning organisation helping people to manage their mental health problems with a community led model. The organisation prides itself on listening and responding to the needs of the service users and the wider community.

1. Finances, Services and Income

My Time delivers services in GP practices and Children's Centres using a service-user led approach, training and employing therapists from the service user community. The organisation delivers service through income under three broad areas, outlined below.

First, it provides so-called 'Primary services', including counselling. These are delivered under Service Level Agreements (SLAs) with the local Mental Health Trust. For example, one SLA provides £60,000 of income per annum for My Time staff to provide services hosted in a local GP practice. My Time also deliver services under contract for Worcestershire County Council for a similar level of income, with the PCT, delivering domestic violence support as well as training courses with individuals and employers such as West Midlands police. Some of this revenue is secured over 3 years and other work is on a more ad-hoc and short-term basis.

Second, My Time provides higher intensity support 'Secondary services' including advocacy to clients including Birmingham City Council under a three year contract worth £200,000 through the Supporting People programme.

Finally, My Time delivers 'Family services' which has been supported by the Tudor Trust to the tune of around £170k over three years and a 'Dad's project', funded by the Big Lottery Fund, also over three years. A combination of grant funding and SLAs enable the organisation to deliver a range of services, including a focus on domestic violence.

2. Development

In the past My Time was heavily reliant on income from the European Social Fund which supported their teaching programmes, as well as research funding work undertaken for a local university. In 2008, the organisation underwent a period of strategic review as the leadership realised that the nature of the funding landscape was transforming.

The aim was to move the organisation's business model away from a reliance on one particular funding stream to attract a more diverse range of income and secure longer term contractual agreements, whilst maintaining the flexibility to deliver more innovative work through grant funding.

More recently, My Time have played a critical role in creating a consortium vehicle to bid for bigger contracts in partnership with others, again responding to the evolving nature of public sector commissioning practice. Relationships have been strengthened with housing associations and the focus on spreading and diversifying income and risk has continued.

3. What did they want finance for?

My Time CIC started to explore how their model could be replicated in Birmingham and further afield, whilst retaining the spirit of the business. They have received dozens of positive responses from people interested in franchising their model, which the leadership saw as an attractive route for growth and replication of their social mission.

It was important for My Time that this could be structured as an equity-like investment rather than a conventional debt instrument. The organisation has little in the way of tangible assets and was seeking investment that would strengthen, rather than place additional burdens on, its balance sheet.

4. Finance secured

In 2011, My Time CIC secured a significant investment from Big Issue Invest, intended to support the development of My Time franchises and to release the Chief Executive to lead this franchise development. The investment was structured as £200,000 redeemable preference shares which provide an exit for the investor Big Issue Invest, without needing to rely on a secondary market. Big Issue Invest purchased 200,000 shares at £1 in return for a 35% shareholding in the business. Big Issue invest are now represented on the Board of the organisation.

5. Capacity and capability

My Time CIC did not suffer from many of the barriers to investment which some other voluntary and community organisations and social enterprise may encounter:

- While revenues were still unpredictable by some standards, they were increasingly long-term and diversified.

- The organisation exhibited relatively strong financial literacy compared to some other similarly sized organisations operating in the more conventional voluntary sector.

- The corporate structure was recently designed, it was fit for the current context and purpose, and did not suffer from complications as a result of historical accident.

- The organisation had a high degree of confidence in navigating and negotiating the social investment market, has strong networks already and was able to gain easy access to appropriate financiers, without undue need to seek support from intermediaries.

- The management team was relatively commercially minded with an appetite for external finance and a range of commercial skills.

6. Barriers

The due diligence process which Big Issue Invest and My Time CIC undertook in partnership was significant and took a considerable amount of time and resources on both sides, involving a number of face-to-face visits, discussions and a pitch to the Big Issue Invest investment committee.

Despite this track record of investment, My Time CIC faced a number of potential investment readiness internal barriers at the time of the Big Issues Invest package, including:

- The complex and possibly unique ownership structure with three different groups of shareholders (service users, local organisations and investors) under a CIC structure (with an asset lock and dividend cap).

- Investment was for replication through franchising where there was no track record of purchaser intent. Although the enterprise had a strong trading history, revenues for the new franchises had yet to be identified.

- The underlying absence of assets and a fragile balance sheet meant that an innovative equity-like investment structure was more attractive that a debt-based investment. This in turn increased the complexity of the deal and a relatively small and innovative investment brought high transaction costs in structuring the deal.

- Some further development and strengthening of financial management, systems and audit was required (e.g. monthly management accounts, IT systems and external audit).

- Despite relative confidence in their experience and capability and a well-received session from ClearlySo to provide pointers on how to pitch, My Time CIC still report that "nothing can fully prepare you to pitch" to an unknown investment committee.

7. Investment readiness journey

My Time CIC has been on a staged and progressive journey of investment readiness, having previously received investment or support from a range of investors. Prior to 2009, My Time had previously taken on a small unsecured loan from the Aston Reinvestment Trust, community development finance institution, as well as a secured loan of around £30,000 from Triodos Bank.

In 2009, My Time received a £125,000 unsecured loan from Futurebuilders, a government-backed investment fund for third sector organisations seeking to increase their role in the delivery of public services. This also included a guarantee of an overdraft from a conventional high street bank, which was partly secured by property owned by the founder. This investment helped My Time to develop their internal infrastructure, including their website, the implementation of professional quality standards and new systems. These upgradings aimed to invest time and funds into the core capacity of the business to enable the organisation to tender more effectively, to build on existing public sector contracts and to secure new business. Outcomes included securing the Supporting People contract with Birmingham City Council and effectively doubling the organisation's capacity.

In 2011, My Time CIC received £74,000 from the Government's Transition fund to support various legal costs, to develop their thinking on developing franchises and consultancy and to improve the IT and telephony infrastructure.

In 2011 the Esmée Fairbairn Foundation invested in the development of the Worcester franchise. My Time describe how this journey was intensive with considerable due diligence, dialogue and discussion with the team at the Foundation.

Most recently (also in 2011), My Time CIC was a successful applicant to the Big Venture Challenge, a national programme to support 25 selected ambitious entrepreneurs in England who were seeking investment to deliver social impact at scale. As a result of this initial £25,000 support, the organisation is subsequently exploring opportunities for further investment.

8. Typology

My Time CIC took over five years to move from its reliance on grant funding to developing a greater proportion of earned income and securing investment to support this. From 2009 onwards, the company has progressed through the stages on the investment readiness journey and received tranches of different types of investment (including working capital and growth finance) which were appropriate to the business needs and goals at each stage in its development process.

9. Lessons learnt

- Energy, passion and a dedicated management team was necessary for the investee to commit the necessary time and resources to ready themselves for investment and agree a relatively complex deal. It can be a struggle for a small organisation to put aside the time and resources to continue to run the existing business as well to raise further finance.

- Smaller and earlier stage investment with a proportionate amount of due diligence and investment preparation can help an organisation learn and move along the spectrum of investment readiness. My Time CIC report that the Esmée Fairbairn and Futurebuilders investments helped put them in the position to draw upon further investment from Big Issue Invest.

- It is perhaps widely understood that capital requirements will evolve as a business evolves – debt, grants and equity or equity-like investment may all be appropriate in different circumstances and at different stages in the development of a business. But it is also important to note that, in turn, different types of investment and investor tend to demand different levels of investment readiness. Investor requirements for a secured loan will differ to those necessary for a riskier equity-like relationship. Furthermore, government-backed funds may have different due diligence requirements to independent trusts and foundations who in turn will look different characteristics of 'readiness' from investors at the more commercial end of the spectrum. Importantly, earlier stage investors, as well as providing investment per se, may also be supporting an investee's journey towards a more sophisticated level of investment readiness which latter stage investors may demand.

- But this 'ladder' of investment does not always follow a logical progressive path and funder behaviour can lead to unintended, albeit positive, consequences. For instance, the Transition Fund (which was intended to support organisations to adjust to an environment with less available public funding) has perversely helped My Time CIC secure more investment and attract greater public funding. Equally, My Time CIC has received support from the Big Venture Challenge (which is often seen as an investment readiness programme) *after* having already received various tranches of investment from other sources.

- It is possible to receive significant investment without support from recognised investment readiness programmes. My Time CIC report that they had some very limited local support and, in fact, received almost no formal investment readiness support. However, other sources of development funding, business support (in this case the Transition Fund and other programmes) can play a crucial role in helping organisations progress towards investment readiness, even if they are not seen in that light. In fact, it could be argued that a well-run, robust and confident organisation with strong systems, track record, finances, management and governance may well be an attractive proposition to an investor with no need for either party to think about 'investment readiness' in those terms.

YOUNG PIONEERS

Young Pioneers was founded in 2008 by Luke Lancaster, then aged 12, after he was bullied at school. It aims to equip young people with the skills they need to overcome adversity, be successful and lead change. Its focus is two-fold:

- To provide educational programmes and support services for disadvantaged young people, primarily in the south east of England
- To run the Force4Good leadership and enterprise programme for young social entrepreneurs internationally.

Young Pioneers is a registered charity. It has a turnover of £250,000 a year and employs five full-time paid staff. It is led by Luke, now aged 16, with his dad Peter acting as senior CEO.

1. Finances, Services and Income

Young Pioneer's educational programmes are targeted at disadvantaged young people, including young offenders and those who are or are at risk of becoming not in education, employment or training (NEET). For example, its GO4IT Enterprise Programme is designed to help young people who are NEET develop leadership and enterprise skills to progress to further education, employment or training. Young people have the opportunity to develop and run a real enterprise.

It also runs programmes designed to complement the traditional school curriculum. For example, the 'Be Healthy' programme teaches young people how to eat healthily, manage stress and exercise to lead a balanced and healthy lifestyle, whilst the 'Stay Safe' programme helps young people make the transition to secondary school safely.

The secondary focus, the Force4Good programme, evolved out of Luke's wish to provide other young people with the opportunity to develop leadership and enterprise skills. It currently provides scholarships to young social entrepreneurs to enable them to develop the skills they need to make a difference. Luke's long-term vision is to create the Force4Good foundation to provide scholarships to young people internationally.

Young Pioneers has a turnover of £250,000 a year. Its main source of income is currently a five-year grant from the Big Lottery Fund. It also receives some other smaller grants and holds contracts directly with local authorities and, increasingly, schools. It also receives substantial in-kind donations from corporate sponsors, which last year were valued at £200,000.

It currently employs five full-time paid members of staff. The core full-time equivalent team is seven if volunteers are included. Additional staff are employed on a project-by-project basis. Young Pioneers is also fortunate to have a number of partners that provide pro-bono expertise to the organisation e.g. someone to help with the fundraising strategy.

2. Development

For the past two years Young Pioneers has been working to put in place more sustainable sources of income. There were two main motivations behind this:

- **The funding climate:** like many in the VCSE sector, Young Pioneers saw that the opportunities for grant income were drying up. In particular, the move towards schools becoming independent budget holders means that contracts are increasingly awarded by schools themselves rather than local authorities and funding is no longer ring-fenced. Young Pioneers was keen to secure different sources of income.

- **Young Pioneer's model:** Young Pioneers believes that to help young people overcome adversity, be successful and lead change, they have to be given real opportunities. It piloted this approach successfully with its GO4IT programme, and needed a way to continue to support young people to develop and run their own enterprises.

To address the first point, Young Pioneers has recently launched what it is calling 'Force4Good CSR'. Companies will be able to purchase commercial products and services (related to ICT, leadership and coaching, and corporate health and wellness) through three portals, which will then donate 25% of their profits to Young Pioneers. The idea is that this will provide the charity with a steady stream of income. In line with the charity's values, it is keen that donations are seen as a choice about how to purchase goods and services, rather than a request for money. The first portal will launch by the end of June 2012.

To address the second, it decided to look into social investment.

3. What did they want finance for?

Young Pioneers wanted finance to provide onward microfinance to young people - sometimes directly, sometimes through other charities. Its idea is that to motivate young people, they need to realise that they can earn more money than they can get on benefits. It believes that the only way to do this is let young people develop and run their own enterprises. Investment seemed like the obvious and only option to Young Pioneers - to start an enterprise, you need investment. Young Pioneers would therefore be a conduit for this investment.

4. Finance hoping to secure

Young Pioneers is currently working with a London-based, Financial Services Authority (FSA) registered company to develop a social investment fund that will launch in late 2012.[6] The fund will essentially be a commercial loan, with investors repaid over three to five years, but is designed to appeal to investors that are interested in investing in social causes. Young Pioneers thinks that it will appeal to high-net worth individuals, institutional investors such as mainstream banks and corporates and is hoping to raise £1m.

[6] We have been asked not to name the company as the fund is not yet launched.

5. Capacity and capability

The pursuit of social investment is being spearheaded by Young Pioneer's two CEOs.

- Peter is keen to emphasise that Luke runs the charity, and as a sixteen year old, is closer than anyone else to the problems that Young Pioneers addresses. He has a long-term vision for the charity, and can see how securing investment is key to achieving this. Luke is often the one to present to investors and is a confident, inspiring young leader.
- Peter has a business background and admits that the skills that he acquired through running a company have been useful in this process. However, he says it has also been a learning curve with barriers to overcome - see section 6 below.

The trustee board are engaged and supportive of the decision to pursue social investment. More generally, the charity's resourceful, proactive attitude has helped to drive the process forward.

Young Pioneers was already measuring its social impact before it started looking for social investment. It was following up with young people to see how they and their enterprises were doing after participating in the programme. Of its first cohort of 10 young people who had all been permanently excluded from school, 100% were in employment three years later.

6. Barriers

Internal barriers

- **Resources:** as a small charity, Young Pioneers did not have the resources (human, financial and IT) to which Peter was used in the corporate world.
- **Financial expertise:** in particular, Young Pioneers soon realised that a key barrier was not having someone who was FSA regulated.
- **Size:** Young Pioneers originally approached mainstream banks but was told that it was not yet of the scale for them to invest.

External barriers

However, it was external barriers that were more problematic, namely:

- **Information about the social investment marketplace:** Young Pioneers did not know where to look for social investment. From its perspective as a small charity outside London, it says there was, and it suspects still is, a lack of information about what it is happening in the social investment marketplace and what would be appropriate for an organisation like Young Pioneers.

- **Access to investors:** Young Pioneers did not have any links with potential investor (it had no connections with high net worth individuals, for example)and did not know where to go to access them.
- **Access to networks:** Young Pioneers is based in Battle, East Sussex. It found being outside London a barrier to being linked into the information and support networks that exist in London, and sometimes felt that it was alone in its pursuit of social investment.

7. Investment readiness journey

After identifying that investment was the only option that met its financing needs, Young Pioneers did not know where to go. It approached several banks but was told that it was not yet of the scale for them to invest.

Young Pioneers knew that the keys terms were 'social investment' and 'impact investment' and so entered those terms into Google. After trawling through the results, it came across a FSA registered company that specialises in social impact investing based in London. Young Pioneers liked that it was fully committed to investment achieving investors' social as well as financial objectives.

For the past year, Young Pioneers has been working with the company to develop the social investment fund. Partnering with the company has therefore helped Young Pioneers overcome several of the original barriers to securing investment. It is FSA regulated and has the financial expertise that Young Pioneers was lacking. It also provides access to high-net worth individuals and other potential investors, through an expert intermediary. However, putting all the FSA legislation in place and approaching investors have still been the most time-consuming part of the process. It has been a quicker process developing the Force4Good CSR portals, its other source of new funding.

8. Typology

Young Pioneers realised that it had to change its funding mix two years ago, and has been working with an FSA registered company for the past year to develop the fund that will launch in late 2012. We would therefore classify it as currently seeking investment.

9. Lessons learnt

- Young Pioneers could not have developed its fund without an FSA registered company which provided the critical financial expertise and access to investors. As it specialised in social impact investing it helped Young Pioneers develop a product that will offer investors a financial return at market rates, but with social objectives too.
- More generally, partnership has been key to Young Pioneers being able to achieve so much as a small charity. It allows it to access different skill sets without employing people with those skills in-house.

- Young Pioneers ended up finding the company through Google. Although this is proactive and resourceful (and ultimately resulted in a successful partnership), Young People was and is still not aware of alternatives to accessing intermediaries and potential investors.
- Young Pioneers thinks that the Peterborough Prison pilot has given many a narrow idea of social investment. Other charities may be suitable for investment but think something like a social impact bond is not for them. There is a certain amount of education that needs to happen about the different types of social investment out there.

VALLEY KIDS

Valley Kids is a charity based in South Wales with a track record of over 30 years working with disadvantaged children and families. The aim of Valleys Kids is to work alongside local people to improve the lives of children and families, counteract the effects of social deprivation and help people to find solutions themselves to problems in their community.

The organisation has grown from its beginnings in 1979 as the Penygraig Community Project. Over the last few decades, the project has become well known locally for its grassroots up approach to community development and has been invited to work with other communities in the Rhondda valley. The project was established by two staff on a job share basis and a small group of volunteers, working from the cellar of the local probation office. The project then grew from running play and afterschool sessions into offering a wide range of support services run for - and by - the local community. The last 10 years of Valleys Kids' existence has seen them expand their work into another three communities: Penyrenglyn, Rhydyfelin and Dinas.

Today, Valleys Kids works out of four community centres (or community and families hubs) including the Soar chapel in Penygraig, the project building at Penyrhenglyn (council owned but refurbished by Valleys Kids with European funding) and a cottage on the Gower peninsula.

In 1999 the project was renamed Valleys Kids to better reflect its wider geographical focus and registered as a charity and company limited by guarantee. The charity now employs round 50 staff and over 100 volunteers. The organisation now very much considers itself a social enterprise, albeit one with its roots firmly in the traditional voluntary sector.

1. Finances, Services and Income

Valley Kids delivers a diverse range of services including play schemes, youth clubs and arts services, pre-school support, out of school play sessions, residential services with young people, services for those over 16 years of age, drama workshops, youth theatre and children's creative dance. The organisation has also developed IT literacy programmes with disadvantaged adults to become more familiar and confident with modern communication technology. The charity also works in partnership with Probation and Social Services to work with offenders and non-offenders, provides sexual education and baby massage.

The charity's income is received from a range of sources, with around one third from local authorities. This has traditionally been in the form of grants under job creation programmes, from the local education department probation services and childrens' services. However, Valleys Kids are now often operating under Service Level Agreements with public bodies, often over three year terms.

Between a third and a half of the charity's income is received from the Welsh Assembly Government, for example under the Communities First programme, which has been aimed at people in Wales' poorest communities. Half of this has been so-called "infrastructure funding" to support others in their work and half has been for the delivery of frontline services, primarily with children.

The remaining income sources are diverse, including the Big Lottery Fund, the Arts Council of Wales, other grants from trusts and foundations, European funding, individual donations and private businesses.

2. Finance sought and received

Valleys Kids has taken various steps to develop and grow over the past few years, seeking external finance on several occasions. One of the most significant steps in the development of Valleys Kids was the takeover of the Soar Baptist Chapel in Penygraig in 1980. After 7 years of fundraising for renovation, Valleys Kids were able to turn what was arguably a liability into a genuine community asset, albeit perhaps not yet in economic terms. While this was funded through grants and donations, this experience prepared the organisation for much of the development which was to follow.

In 2001, the organisation was starting to realise the value of *residential programmes* for improving the quality of lives of the people they worked with. Initially, the charity leased a cottage called Little Bryn Gwyn on the Gower peninsula for two years, from the national charity Barnados, but then subsequently started to explore the potential for purchasing the property, which would cost around a quarter of a million pounds. It was taking many months to raise the money through grants, with the asking price also rising as time passed.

The Esmée Fairbairn Foundation were the first to suggest that loan finance may be an appropriate route for the organisation to pursue. The Foundation brokered an introduction to Charity Bank who sent a member of staff to visit Valleys Kids. Eventually, a loan for £210,000 was raised with repayment around £18,000 a year comparing to the previous rental costs of £12,000.

Later, in 2006, the organisation raised and invested £3.3 million in the Soar chapel. This was secured from the Arts Council, European sources and some trusts and individuals, but not through borrowing.

The third major development for Valleys Kids was the acquisition of Pop Factory, an iconic building in the Rhondda. The factory was originally opened in the 1890s as Welsh Hills Mineral Waters. It then became the birthplace of the Corona soft drinks company, was almost left derelict, and was subsequently taken over by Avanti Media and reopened as the Pop Factory multimedia complex in September 2000. The venue was used for a range of music, entertainment and youth-orientated TV series for the BBC, ITV and S4C (with US X Factor host Steve Jones given his first presenting job in The Pop Factory). Then, as the economic situation changed, the owners moved on and given the link to young people, creativity and the arts, Valleys Kids decided to consider whether it could be purchased in order to help young people start their own enterprises and create their own jobs.

Valleys Kids initially failed to raise all the money they needed to purchase the property. However, the arrival of the Welsh Assembly Government's *Community Investment Fund* (CIF) presented an opportunity for the charity put itself in a position to secure the purchase of the property, while they partly hoped that they would never need to draw upon the loan, as grants may materialise. Ultimately, they took half the loan they were offered by the CIF, worth £250,000 against a building valued at 450,000. The remainder of the money came from the Coalfields Regeneration Trust and other funds.

3. Capacity and capability

Valleys Kids believe that they are a relatively strong organisations in terms of governance and managerial capacity, with intelligent, diligent and constructive Board members. They also have very strong links with private businesses to whom they can turn for pro bono financial and legal help. For example, they have received dozens of hours of free advice on the financial implications of assets acquisitions, particularly with regard to VAT.

4. Barriers and the investment readiness journey

The organisation had to overcome some cultural and philosophical barriers before it was comfortable with the idea of investment. While Director Richard Morgan describes the tradition of social enterprise in the Welsh Valleys (describing Working Men's Clubs as social or community enterprises for example) there has been an underlying perception that taxes, or at least grants, should pay for the kind of work that Valleys Kids have been delivering. Equally, in an economic climate where, arguably, too much debt has prompted global economic uncertainty and pressure on public finances, the organisation is perhaps not naturally inclined to welcome with open arms the concept of borrowing to secure its future.

Richard reports that the organisation never really felt itself to be "investment ready" even when they received investment. He argues that the organisation was learning as it went through various stages of development and often considered itself to be naïve. He puts this down to a cultural, perhaps British mind-set which is relatively modest and unassuming.

Nevertheless, the organisation has proved itself to be investment ready in the eyes of investors. In fact, Richard reports that at the time of the first investment, there was no business plan for managing the property but that the investor was still satisfied as they could see the health of the organisation as a whole and the loan was secured against a valuable asset. With the most recent investment, however, the investor has been more demanding, not least as enterprise is at the heart of the plans to service the loan, rather than a simple asset-backed approach.

While trustees discussed the concept of loan finance to take into account the benefits and risks, there were several factors which helped Valleys Kids believe it was an appropriate course for them to take on a loan:

- The role of the trusted partner (in this case the Esmé Fairbairn Foundation) making an introduction and suggesting that debt was a manageable step to take.
- The role of Charity Bank, by providing an alternative to mainstream high street banks, and by supporting and encouraging them, helped the leadership of Valleys Kids to be more comfortable with the idea of borrowing. As the loan was essentially akin to a mortgage, trustees, staff and crucially, the organisation as a whole realised that if they encountered financial difficulties, they could always put the cottage on the market to pay off the debt;.
- The fact the bank was willing to lend was convincing in itself.

However, the latest phase of development with the Pop Factory has required a significant shift in approach, more enterprise oriented, selling services and events of a different nature to those which are free at the point of use. This has required greater consideration of how to set prices to break even, how many people are needed to get through the door, what kind of events will attract what kind of customers etc. Valleys Kids required different skills and experiences in this regard and have been dependent on new staff and volunteers with entrepreneurial flair to help make it work.

Part of the journey to investment readiness for Valleys Kids has been building the determination to take a leap. While this does not necessarily mean taking greater risks, for this organsiation it has meant developing more ambition and entrepreneurial flair.

Prior to the CIF investment, Valleys Kids were provided with an external consultant, funded by CIF, to come in and help develop their business plan: spending much time talking to staff; going through projections; looking at different income streams and modelling financial forecasts in terms of the balance sheet and cashflows. However, while much of this investment readiness work may have helped convince and reassure the investor (enabling the organisation to attract the full package of loan finance from CIF) it may not have had a great direct effect on the organisation itself.

Valleys Kids suggest that more mentoring or peer-to-peer support may sometimes be more useful than the role played by external consultants. For example alternative or complementary models of business support may be created if funding organisations shared their experiences with others and Chief Executives exchanged information about how they took on investment and developed their services.

Valleys Kids report that on-going support is important as well as the brokerage role played by the likes of Esmé Fairbairn and the Welsh Council for Voluntary Action. As Valleys Kinds look to potentially refinance their CIF investment and start a relationship with Unity Trust Bank, these relationships between support bodies, government-backed funds and specialist lenders can help organisations along their journey.

Valleys Kinds also believe that there could be a greater role for early stage investment awareness support to help voluntary organisations understand and get to grips with issues around the idea of repayable finance.

5. Lessons learnt

- Asset-backed, mortgage type investments can provide an entry point to an investment journey, as this type of finance in understandable and comparable to homeowners' mortgages
- Investment readiness is in the eye of the beholder and also depends upon the nature and purpose of the investment
- Organisations have varying degrees of confidence and ambition which may relate directly to their suitability for investment their robustness and their business prospects
- The reputation and trust of financiers and intermediaries can help build investee appetite and investment awareness. These relationships can be crucial in helping organisations ready themselves for investment
- Elements of investment readiness support can play a role in helping convince investors as much as they build capacity of the investee.