



# Big Issue Invest Social Impact Debt Fund IV

February 2025

**BIG  
ISSUE  
INVEST**

Part of the Big Issue Group

# Our Mission

**Building a world that works for everyone. Challenging innovating and creating self-help and sustainable business solutions, that dismantle poverty now and for future generations.**



**Big Issue Group** is one of the world's best-known social businesses, dedicated to supporting and tackling the issue of poverty and inequality in the UK.

**78% Brand Recognition** in UK Households (YouGov)



Founded in 2005, **Big Issue Invest** extends The Big Issue's mission by financing the growth of sustainable social enterprises.

Big Issue Invest offers social enterprises, charities and profit-with-purpose businesses loans and investment from **£20,000 to £4 million**. Since 2005, we have invested in more than **300 social enterprises** and charities across the UK.



Part of the Big Issue Group

# Our approach



## Championing impact-first investing

We are at the leading edge of impact investing. We invest to enable everyone to participate fully in society and demonstrate this through innovative impact measurement and reporting.

Our aim is for:

- Over **70%** investments to be made into high deprivation areas.
- Over **90%** investments to be made into core solutions to poverty, with improved spread over all core solutions.



## More than money

We support our investees with more than investment through partnerships, connections, collaborations and technical assistance.

Our Investment Managers support investees throughout the investment process.

We share our lessons and research with the market to promote and improve the social investment market

We listen to investees on what tools and support they need and share these to support the sector.



## Pushing for social equality

We recognise that the best people to solve social problems are those who experience them directly. We want to create greater diversity in the world of social investment.

We have a benchmark of **50%** of our support going to diverse-led ventures.

We aim to make BII a place for everyone, and our team representative of the people we invest in.

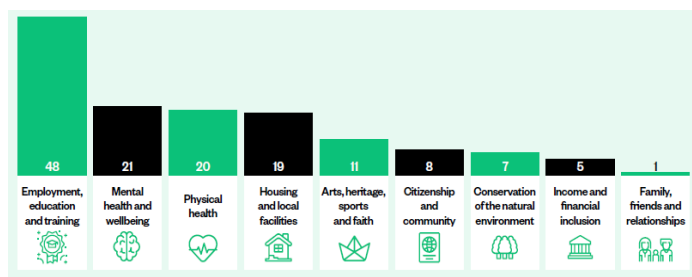
We are implementing a range of equitable investment measures through our lending work and newly launching Funds.

# Impact at Big Issue Invest

Our mission: to back social businesses that actively address poverty and social inequality.

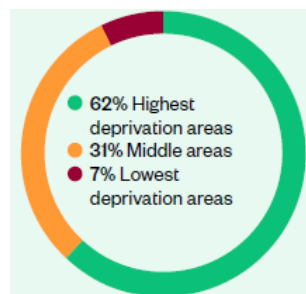
## Impact of Our Investees in 2022/2023

We supported **140 social enterprises** and charities across the UK, with our investees reaching over **1.5 million** people across the UK.



**94%** of investments contributing to our Core Solutions to Poverty, targeting various outcomes areas

**62%** of investees are based in the areas of highest deprivation.



Top **5 United Nations Sustainable Development Goals** contributed to by our investees:

# Big Issue Invest Available Funding

## Social Impact Debt Fund IV

### Property-backed loans £1m-£4m

This fund lends to property-backed, established social enterprises. Target sectors: affordable housing, health and social care, and social infrastructure.

## Impact Loans England

### Growth stage loans, £20k-£400k

Providing flexible, patient loans across a wide range of impact sectors, supporting 50-75 social ventures per year

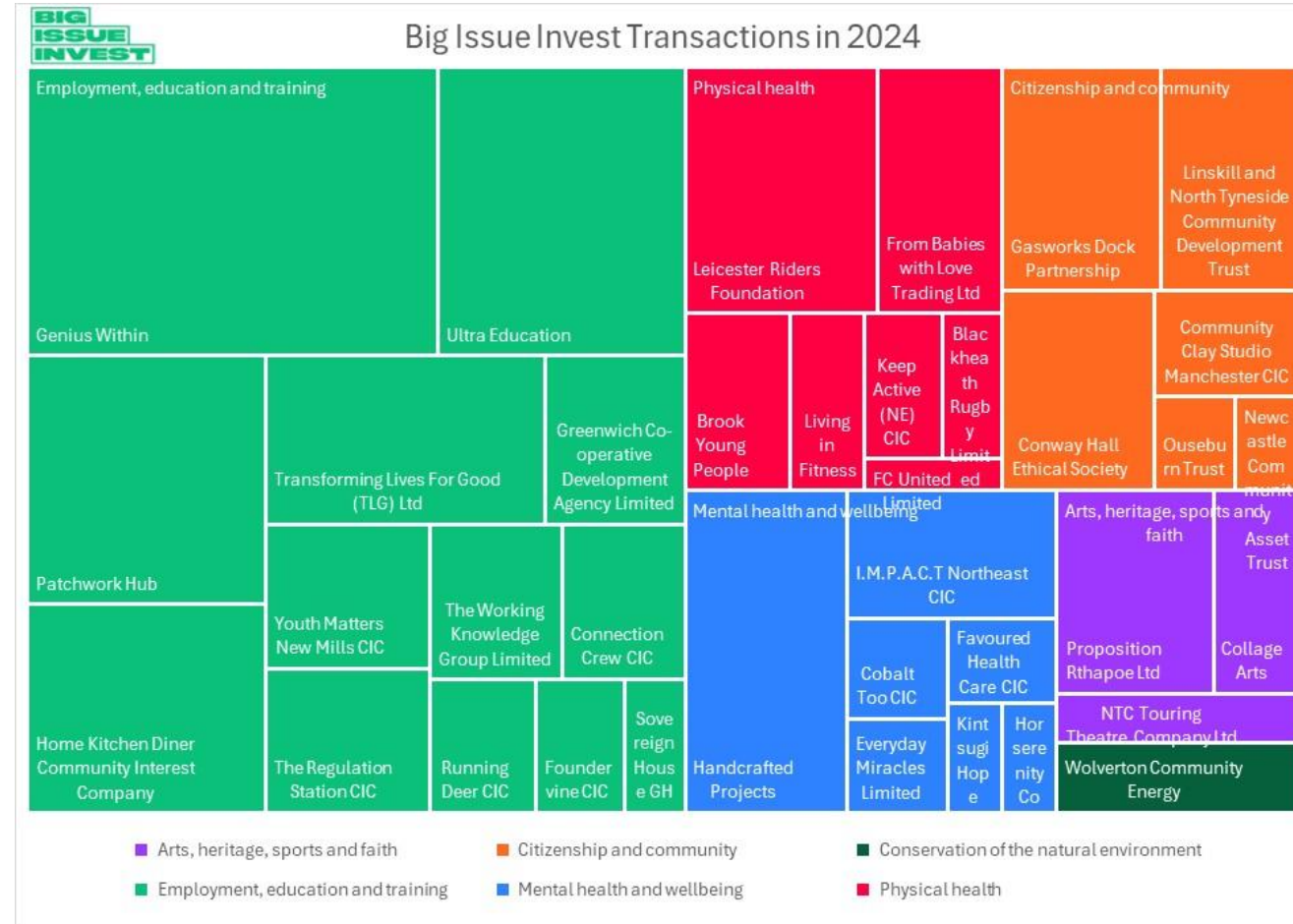
## Growth Impact Fund

### Investing in diverse-led organisations & tackling inequality, £50k-£1.5m

This fund makes equity, equity-like and unsecured debt investments in diverse-led organisations.



# Big Issue Invest transactions in 2024



# Social Impact Debt Fund IV

# Fund IV Strategy



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**Secured Debt**

## Fund IV social impact sectors and example BII portfolio businesses

<b>Affordable Housing and Homelessness</b>  <b>Health &amp; Social Care</b>  <b>Social and Community Infrastructure</b>		<ul style="list-style-type: none"> <li>• Affordable Housing</li> <li>• Transitional or Supported Housing</li> <li>• Excluded Communities</li> <li>• Specialist Housing</li> </ul>	
		<ul style="list-style-type: none"> <li>• Care homes</li> <li>• Hospices</li> <li>• Other clinical settings</li> </ul>	
		<ul style="list-style-type: none"> <li>• Co-working spaces</li> <li>• Nurseries</li> <li>• Education &amp; training</li> <li>• Arts organisations</li> </ul>	



# Fund IV Key Features

**Fund IV aims to support organisations by enhancing financial sustainability and scaling social impact**

<b>Investment Type</b>	Secured loan
<b>Loan Size</b>	£1m to £4m
<b>LTV</b>	High loan to value usually above 80%
<b>Interest Rate</b>	Competitive fixed rate loans. <sup>1</sup>
<b>Repayment Terms</b>	3-5 years
<b>Security</b>	Property asset with RICS valuation
<b>Use of Proceeds Examples</b>	<ul style="list-style-type: none"><li>- Expansion of services</li><li>- Property refurbishment or acquisition</li><li>- Purchase of capital equipment</li><li>- Service transition/ improvement</li><li>- Energy efficiency</li></ul>

## Advantages

- 1. High LTV (up to 85%)**, reducing deposit needed from borrower for the project
- 2. Single lender / single set of loan terms**, enabling faster project execution and simplified process
- 3. Flexible repayment profiles** (including capital repayment holidays, interest roll up, and 20-25 year amortisation profiles)
- 4. Potential for investment-readiness grant of up to £15k**

# Fund IV Eligibility

- Legally registered UK company or a charity
- 5+ years of trading track record – history of revenue generation, profitability and assets to support secured debt
- 3 years of audited accounts
- Generating measurable positive social impact
- Constitutive of one of the following sectors:
  - Site-based Health and Social Care e.g. care homes, hospices
  - Affordable Housing and Homelessness
  - Social and Community Infrastructure e.g. co-working spaces, nurseries, arts organisations



*"Big Issue Invest was an important partner for LEYF on our growth journey. This funding enabled us to finance the acquisitions and integrations of new nurseries, plus the upgrading of our central team capabilities. The last 5–10 years have validated the logic of our cross-subsidy model and the ability of acquired nurseries to become surplus generating."*

**Michael Garstka, Chair of London Early Years Foundation (BII investee)**

# Case Studies

# Case Study: (Smile:Together)

Target SDG



## What do they do?

**Smile Together** is one of the South West's largest NHS referral and emergency dental care providers, with a mission to tackle oral health inequality in remote coastal and rural locations in Cornwall and Devon.

## What was the challenge?

Smile Together needed make improvements to its service, equipment and grow through increased provision. ST used funding to buy an ex-grammar school and converted it into an accessible dentist clinic.

## What was the investment?

Smile Together secured a £1 million loan through our Social Enterprise Investment Fund II.

## What was the impact?

Since receiving the funding, Smile Together has undertaken

- nearly 100,000 emergency appointments, and provides free dental treatment:
- to over 2,000 special needs patients per year
- to more than 500 patients living in remote fishing communities.



*"We are hugely grateful to Big Issue Invest not only for their social investment into our accessible dental care at Harleigh Road in Bodmin... but also for genuinely partnering with us... they were one of the first to call when the Covid-19 pandemic really hit, checking in with us as one of their investees to see how they might help."*

**Paul Critchley, Managing Director, Smile Together Dental CIC**

# Case Study:

Target SDG



## What do they do?

**LEYF** provides high quality early years childcare to 4,400 children, of which 1,300 are from disadvantaged backgrounds.

## What was the challenge?

Required growth capital to fund expansion across London.

## What was the Investment?

LEYF secured a £625,000 loan as part of a £1.5 million financing package through our Social Enterprise Investment Fund II.

## What was the impact?

- Grew from 25 to 42 nurseries across Greater London.
- 10% increase to 97% of nurseries rated Good or Excellent.
- Grant funded nursery hours increased by 54% to 835,000 per annum.



*"Big Issue Invest was an important partner for LEYF on our growth journey. This funding enabled us to finance the acquisitions and integrations of new nurseries, plus the upgrading of our central team capabilities. The last 5–10 years have validated the logic of our cross-subsidy model and the ability of acquired nurseries to become surplus generating."*

**Michael Garstka, Chair of LEYF**



# Case Study:



Target SDG



## What do they do?

**Homes For Good** is a social private landlord and lettings agency in the private rental sector. Homes For Good provide affordable, high quality housing to those on low incomes struggling to find quality accommodation.

## What was the challenge?

Homes For Good moved to a second phase of expansion and maturity increasing in size to approximately 210 units following the BII investment.

## What was the investment?

BII invested £3.5 million into Homes For Good to refinance and allow it to grow the number of units of accommodation it has available.

## What was the impact?

By 2023, HfG owned 210 units of quality affordable accommodation. 244 individual tenants were housed within these properties. 92% were social tenancies.



*"Investment from BII in 2020 signalled a new stage in Homes For Good growth and development as a provider of high quality homes for people who need them in and around Glasgow. BII has also enabled us to be more entrepreneurial in our property development programme, ensuring profitability and social impact for the long term."*

**Dr Susan Aktemel, Executive Director, Homes for Good**

# Get In Touch

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