

PROFIT THROUGH **PURPOSE**

RESONANCE NORTH WEST SITR FUND

AFFORDABLE FINANCE FOR SOCIAL ENTERPRISES

DISMANTLING

POVERTY AND DISADVANTAGE
IN THE NORTH WEST

resonance



AFFORDABLE

FINANCE FOR SOCIAL ENTERPRISES



The Resonance North West Sitr Fund has been created as a way of unlocking more affordable and flexible growth finance for high impact social enterprises in the region, that are intentionally targeting the root causes of poverty and disadvantage.

This new initiative in the North West follows the success of Resonance's two other regional Sitr funds in Bristol and the West Midlands.

THE FUND OFFERS

- ✓ Unsecured 6 year loans of between £100,000 and £250,000 per business (up to £1.5m for organizations less than 7 years old). Equity investments are also available
- ✓ No capital repayment for the first 3 years
- ✓ Around 6% total cost per annum (+/- depending on business risk)
- ✓ Finance for a variety of needs including: expansion, capital purchases, marketing strategies, new staff, relocation, investment in new projects
- ✓ More than just money - we work with social enterprises in which the Fund invests to raise their profile and connect them with resources and support

WHY SITR?

Social investment tax relief (Sitr) was introduced by the Government in April 2014 to encourage investment by individuals into social enterprises, with investors receiving a 30% tax break when investing into an eligible organization. Because some of the investor's financial return can be covered by this tax relief, this means we can offer more affordable, flexible finance for social enterprises.

Over
£1 million
already lent to
enterprises in
other regions

SOME SOCIAL ENTERPRISES WE'VE SUPPORTED IN OTHER REGIONS

Bristol 24/7 CIC is a popular online newspaper and monthly printed magazine. The publication reaches out and encourages those from marginalised neighbourhoods by offering training, work experience and internships in journalism.

Investment focus

Investment of £150,000, which facilitated the training needed to set up local hubs across Bristol using a new software platform.

Enables local people to contribute articles and photos to the main website, whilst allowing 24/7 to raise their own revenue from advertising.

In turn creates opportunities in media for those who are currently more likely to be excluded from the sector.



Photo: Ben Wright, Bristol 24/7 giving a voice to a range of diverse voices from across the city.

Jericho offers support, training and employment opportunities to those experiencing barriers to employment and social inclusion. Their enterprise activity (through eight social enterprises) includes property construction and refurbishment, catering, cleaning, landscaping, printing and an up-cycling business.

Investment focus

- Investment of £100,000 to support the expansion of the ReUsers Centre, which takes unwanted 'stuff' headed to the tip and turns it into items that people want to buy.
- Enables an increase in turnover of 25% over the next twelve months.
- Creates an extra six apprenticeships and volunteering positions for people who have significant personal or occupational barriers.



Photo: Jericho sorting area at Re-Users

"The investment from Resonance will increase our footprint at ReUsers by 25%...we have so far saved 650 tonnes of unwanted items going to landfill and supported 70 people with apprenticeships or voluntary positions - a significant growth in our impact, which is at the very heart of the Resonance West Midlands Sitr Fund."
Richard Beard
CEO Jericho

THREE KEY FACTORS

1

Sitr funds can only be lent to enterprises that are:

- ✓ Charities
- ✓ Community Interest Companies
- ✓ Community Benefit Societies

2

All Sitr funds are issued with a three year capital repayment break, which means only the interest is payable for the first three years of the loan.

3

All funds lent under an Sitr scheme are unsecured, a clear advantage for most small social enterprises that often do not have any assets.

AIMS OF THE FUND

- ✓ To provide affordable, flexible and patient finance to social enterprises in the North West
- ✓ Dismantling poverty and disadvantage by investing in local, high impact social enterprises
- ✓ Using social investment tax relief to encourage individuals to invest in social enterprises (investors receive a 30% tax break when investing into an eligible organization)
- ✓ Connecting social enterprises with each other and with others who want to support their aims - raising profile, strengthening resources

WHY RESONANCE?

- ✓ **Track record** - over 16 years of investing into communities & social enterprises
- ✓ **Impact-led** - we are passionate about the transformational change you create
- ✓ **Inclusive process** - we listen first, and develop plans alongside you
- ✓ **Local team** - our investment teams are based in the region
- ✓ **Cost effective** - our lending is competitively priced for impact organizations
- ✓ **Over £120 million capital raised** for charities and social enterprises in last five years from over 400 investors

INTERESTED IN LEARNING MORE?

If you are a social enterprise tackling poverty or disadvantage in the North West of England and are looking for affordable, flexible and patient finance to scale your social impact, or you would like to learn more about the Resonance North West Sitr Fund then please get in touch for an informal conversation. We'd love to hear your story! Contact:



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