



# An Introduction to Key Fund

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## Key Fund

**a Social Investor operating across  
the whole of the North of England.**

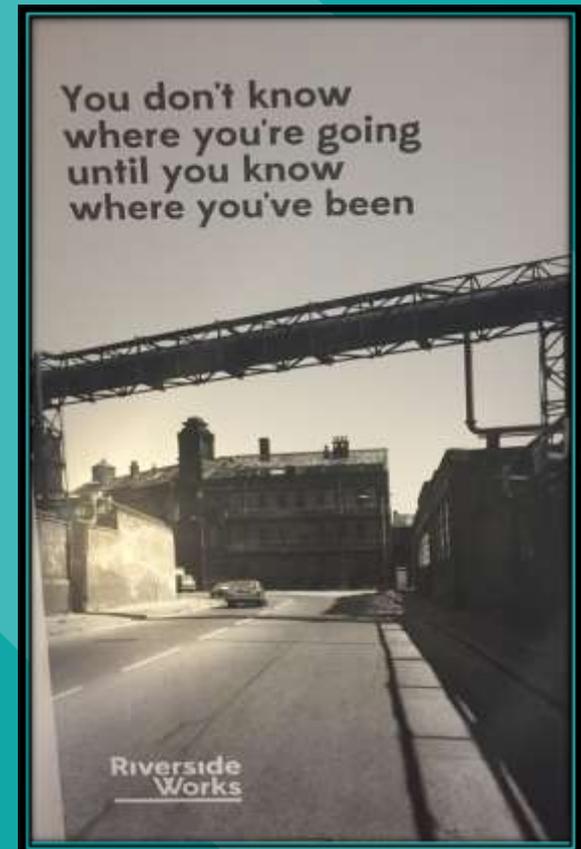
**our mission is to provide the 'right kind of money at the right time' for the development and growth of sustainable and impactful community and social enterprises that are unable to secure support from elsewhere.**



# Social investment:

...the use of repayable finance to help an organisation achieve their social purpose.

Flexible financial support where the focus is on your organisation's needs



# What is Social Investment & How Can it Be Used ?

- ✓ A combination of loan & grant funding
- ✓ £5,000 up to £150,000.
- ✓ to start-up
- ✓ become sustainable
- ✓ to grow
- ✓ to solve a seasonal problem or bridge a gap
- ✓ to buy equipment or property (capital)
- ✓ for day-to-day costs

***Whatever your organisation needs most***

## Who we invest in

Community, Social Enterprises and Cultural Organisations who have traditionally been excluded; turned down by mainstream banks and building societies.

Particularly those in disadvantaged areas.

Our investees have one crucial thing in common – the ambition to build and strengthen communities.

Total Impact

# Just over £17.5m

This year's stats

Loan - £2.6m

Grant - £2.5m

Total - £5.1m

Average award size - £55k

Leverage\* - £9m

Businesses created/sustained - 93

Jobs created/sustained - 173

IMD - 70% of the investments were made into the 30% most deprived areas

Total Impact in 22 years:



Grant

## £21m



Loan

## £46m



For every £1 invested at least £4 of  
Impact is made

Jobs created / sustained

## 3906

## £1 = £4



Businesses Created

## 2855



Leverage

## £52m

\*Leverage: additional funding as a direct result of our investment

## Our investees:

- SMEs
- Often founder-led
- A mission to make a difference

## Many are:

- Driven by passion and a sense of purpose
- At different stages of development and business experience
- Co-created, with a strong understanding of the local community's need.

Our Approach:

It's not just about the money.

It's about providing the right kind of support to help our investees have the best possible chance of success.

We take pride in our relationship-based approach. As a Social Enterprise ourselves, we understand the pitfalls and challenges you face, and will support you, pre and post investment.

# Our Investment Process

- ✓ We work **with** the applicant to build a case for investment
- ✓ We **meet** them and **talk** with them
  - in-depth understanding
  - how an investment will help
- ✓ We **introduce** Theory of Change
  - Questions in our online application
  - Supportive guided conversation
- ✓ This is represented in the decision-making process:
  - Verbally
  - In a report
  - Via collected statistics

# Steps in the process

- ✓ **Online application**
  - **Eligibility**
  - **Cash flow forecasts**
  - **Key People**
  - **Business plan**
- ✓ **Conversation**
- ✓ **Meeting**
- ✓ **Information-gathering inc. documentary evidence**
- ✓ **Assessment Report**

**Investment Panel**

# Investment Readiness



We consider

- ✓ The business
- ✓ The social impact
- ✓ Needs and priorities
- ✓ Past finances and future finances
- ✓ 4 kinds of people

# Investment Readiness



## The 4 kinds of people:

- ✓ Those doing the work
- ✓ Those advising or supporting
- ✓ Those benefitting from your work
- ✓ Those who buy your product or service

# Investment Readiness



Our clients can explain:

- ✓ Their social impact – the difference they make
- ✓ What they do – daily delivery and operations
- ✓ How they do it – business model
- ✓ Their priorities/needs

# What if you're not “investment-ready”?

- ✓ Talk to us! Talk to others!
- ✓ Have a look at these websites:
  - <https://www.reachfund.org.uk/>
  - <https://www.goodfinance.org.uk/>
  - <https://www.the-sse.org/>

# Our New Flexible Finance Fund



To support social enterprises that are struggling because their trading models have been negatively impacted by COVID-19 or the 'Cost of Living Crisis', who are unable to access flexible commercial finance (specifically overdrafts)

- A pre-agreed credit limit up to a maximum of £150k
- Ability to draw down as required (as long as financial performance tracking projections), in multiples of £25k for initial 5-year period.
- Ability to make bullet reductions during initial 5-year period, in multiples of £10k, as income realised without penalty.
- At end of 5-year initial term, the outstanding balance

## ***Summary***

- **We are the approachable, friendly face of finance.**
- **We adopt a relationship-based approach to guide you through the process.**
- **We will only provide ‘the right money, at the right time for your organisation.**