

FIRST NATIONAL SOCIAL INVESTMENT TAX RELIEF FUND LAUNCHED

London, 24 November 2015

Social Finance and Kin Capital announce today the launch of the Bright Futures Fund, the first national fund to take advantage of the new Social Investment Tax Relief (SITR). The Fund aims to reach £3 million and will invest in charities and social enterprises working to improve the lives of children, young people and vulnerable groups across the UK.

In July 2014 the government introduced SITR to encourage investment in charities and social enterprises, giving these organisations access to growth capital like commercial businesses. The Bright Futures Fund will look to provide an annualised return of 4% (net of cost), before the 30% income tax relief granted under SITR.

David Hutchison, Chief Executive of Social Finance said:

“Charities and social enterprises do not rely solely on donations and grants. For many, their primary income comes from government contracts that allow them to deliver services to vulnerable populations. To grow their impact, charities and social enterprises are looking for finance that allows them to develop and scale their activities. Increasingly these organisations are recognised by government as critical to its success in meeting rising social needs. This Fund is an exciting proposition as it offers investors the opportunity to use their money to drive social good while achieving a solid financial return.”

The social sector is already an active lending market and recorded £3.5 billion of loans on its balance sheets in 2012/13.¹ This market is being driven in particular by the rising demand for growth capital, as charities and social enterprises take on more delivery of high quality public services. Yet, despite the demand, the sector is currently undercapitalised due to a range of barriers to obtaining investment.² The Bright Futures Fund will meet this demand by providing investment capital, allowing both charities and investors to benefit from the expanding nature of the sector. It will look to invest alongside other Social Investment and Finance Intermediaries to increase the money available.

The Bright Futures Fund will look to provide £100,000-£250,000 of 3-5 year unsecured debt to approximately 12 qualifying investments: ambitious and expanding charities and social enterprises that have a minimum of £1 million earned revenue and a three year trading history at the point of investment. Through its investments, the Fund will provide support to children, young people and a range of vulnerable groups including those who are disabled, homeless, living in poverty, with long term health conditions or mental health needs.

John Spiers, CEO at EQ Investors said:

“As a firm, EQ is committed to the growth of the social impact investment sector and it’s very encouraging to see the launch of the UK’s first nationwide SITR fund. SITR provides a good opportunity for individual investors to make social investments while still achieving a financial return. It’s hugely important that social enterprises and charities can access new sources of finance – vulnerable groups across the UK are counting on it.”

The Fund will be managed by Kin Capital Partners LLP, an independent firm with a strong track record in fund management and fund raising services. Working in partnership with Kin Capital,

¹ UK Civil Society Almanac <http://data.ncvo.org.uk/a/almanac/2/how-much-is-the-voluntary-sector-borrowing/>

² Charities and social investment A research report for the Charity Commission
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/284227/social_investment.pdf



Social Finance will act as Investment Adviser, using its broad network of sector contacts to identify promising investee enterprises.

Tom Hopkins, Kin Capital said:

“The Fund offers a promising new alternative as it offers investors a tax advantaged vehicle that allows for high quality debt and equity investments. Zero upfront costs mean 100% of each investment should be eligible for income tax relief, allowing the investor a strong return on each investment made. We hope that through its investments, the Fund will unlock significant resources in the charity and social enterprise sector, creating a wide range of benefits to vulnerable groups across the UK.”

The Fund will be open for investment from 24th November.

To request a brochure and application pack please contact info@kincpaital.co.uk or 0203 743 3100 or visit: www.brightfuturesfund.co.uk or

For more information, please contact Alisa Helbitz, Director of Research and Communications, Social Finance at alisa.helbitz@socialfinance.org.uk or on 020 7667 6388.

Notes to Editors

1. The Bright Futures SITR Fund (the Fund) is the UK's first nationwide Social Investment Tax Relief (SITR) fund. With a target size of £3million, the Bright Futures Fund will provide debt to ambitious charities and other social enterprises working to improve the lives of children, young people and other vulnerable groups across the UK. Subject to SITR qualifying conditions being met, investors will be eligible to receive 30% income tax relief. The fund will provide a diversified investment product for those looking to achieve both a financial and social return.
2. Social Finance is a not for profit organisation working with government, the social sector and the financial community to find new ways of tackling entrenched social problems in the UK. Founded in 2007, Social Finance has mobilised over £100 million in investment for a range of social issues including homelessness, vulnerable children and youth, offenders and adults with social care needs. Social Finance is the originator of the Social Impact Bond model. www.socialfinance.org.uk.
3. The Fund Manager of the Bright Futures SITR Fund is Kin Capital Partners LLP, an independent firm providing fund management and fund raising services based in London. Kin Capital provides fund management services and specialises in tax efficient solutions. The team has significant experience in Seed Enterprise Investment Schemes (SEISs), Enterprise Investment Schemes (EISs), Business Property Relief (BPR/IHT) and Venture Capital Trust (VCT) products.