



ANNUAL REPORT
20/21

Financial Support for Social Enterprises



BIG ISSUE INVEST

**SOCIAL
ENTERPRISE
INVESTMENT
FUND II**

FCA disclaimer

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SOCIAL ENTERPRISE INVESTMENT FUND II

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Contributors:

This report has been designed with **Bold Studios**.
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LAUNCHING THE BIG ISSUE INVEST STRATEGY



Big Issue Group Mission:

We build a world that works for everyone.

We challenge, innovate and create self-help and sustainable business solutions, that dismantle poverty now and for future generations.

WE BACK HUMAN POTENTIAL

Strategic Themes



Championing impact-first investing



Supporting with more than money



Pushing for social equality

HOW WILL WE ACHIEVE THIS

We will support organisations that generate core solutions to poverty and those who create an enabling environment to supporting people and communities out of poverty

Core solutions to poverty

Addressing basic needs and essentials of life

1 NO POVERTY 	2 ZERO HUNGER 	3 GOOD HEALTH AND WELL-BEING
4 QUALITY EDUCATION 	5 GENDER EQUALITY 	7 AFFORDABLE AND CLEAN ENERGY
8 DECENT WORK AND ECONOMIC GROWTH 	10 REDUCED INEQUALITIES 	11 SUSTAINABLE CITIES AND COMMUNITIES

Enabling solutions to poverty

Addressing needs that enable broader fulfilment

6 CLEAN WATER AND SANITATION 	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	13 CLIMATE ACTION
14 LIFE BELOW WATER 	15 LIFE ON LAND 	16 PEACE, JUSTICE AND STRONG INSTITUTIONS 	17 PARTNERSHIPS FOR THE GOALS

WHAT WILL SUCCESS LOOK LIKE IN FIVE YEARS



Our investees will reach over **10 million customers** across the UK contributing to a *world that works for everyone*.



We aim to deliver **70% of our investments** in the areas of highest need and we will ensure equitable access to our investments across the UK.



We will have more equal investment across all core solutions to poverty and maintain over **90% of the portfolio aligning to core solutions**.



We will have launched **five new investment funds** and programmes with direct targets against our core.



We will be working towards growing a portfolio of **£500 million AUM** and Advisory by 2030.



We will **promote the impact investing sector in the UK** through sharing our lessons, best practice and promoting the achievements of our investees.



BIG ISSUE INVEST SOCIAL ENTERPRISE INVESTMENT FUND II LP

General Partner's Report for the year ended 31 March 2021

It has been a challenging year for Big Issue Invest Social Enterprise Investment Fund II LP ("SEIF II") with the ongoing pandemic and largely remote working for us and our investees. Nonetheless we have still disbursed a further £3.5 million, bringing the total invested capital to over £16.6 million, almost 70% of the committed capital for the Fund. More importantly this capital is supporting sixteen remarkable social enterprises who themselves are providing much needed services to over 100,000 people (excluding community transport) within 2020/21.

Of the £3.5 million disbursed to UK social enterprises during the 2020/21 financial year £250k was into existing portfolio businesses, and £3.2 million into one new investee: Homes for Good.

We committed to invest £3.5 million into Homes for Good. Homes for Good provides a solution to the lack of affordable, high quality housing to those on low incomes in Glasgow. Since its inception in 2014, this social enterprise has not only pioneered the social lettings agency model, but it has built a property portfolio of 190 homes and SEIF II is now providing funding for the next stage.

As at 31 March 2021, SEIF II has returned over £1.1m of original committed capital to investors in the form of capital and income distributions. The fund continues to make periodic distributions of capital to investors, having returned over £408k in the year ended 31 March 2021 and over £1.0m since inception.

I am pleased to report that with the success of SEIF II combined with Big Issue Invest Social Enterprise Investment Fund I LP and the Big Issue Invest Outcomes Investment Fund LP means Big Issue Invest Fund Management Limited ("BII FM") are now managing £34.6 million (including uncalled capital) as at 31 March 2021.

This year has been turbulent and we had to make a number of impairments in our portfolio. Village Underground remained impaired at 80%. The previous impairment of HCT was maintained on our junior loan investment but we released 30% of the impairment on the senior loan. Furthermore we have taken the decision to impair 2 of our CDFI investments, Five Lamps and Moneyline. Five Lamps has been impaired at 80% and Moneyline at 35%. With the partial release of HCT's impairment and the new impairments, the impaired amount increased to £4.7m compared to last year's

level of £3.2m. We are working closely with each of the management teams with the aim to release the provisions once we have more comfort on recoverability.

We are continuing to strive to grow BII FM in parallel to the wider UK social investment market. While we are satisfied with the result in these challenging times, we are also acutely aware that there is still much work to be done to mainstream social impact investing in the UK.

The investment period of the fund will end in October 2021 and the fund life expires in October 2027.

The General Partner considers that although the COVID-19 outbreak has had an impact on the underlying activities of the fund's portfolio companies in the year ended 31 March 2021, the impact on the fund's activities is minimal as its major cash flows are within the fund's control (namely new investments and distributions) or are reasonably predictable (namely the operating expenses). More information on the ability for the fund to continue as a going concern is included in note 2a.

I would like to thank the members of the Investment Advisory Committee, our fund administration team at NCM Fund Services, the investment team at Big Issue Invest, our Non-Executive Director appointees and, of course, the hard working and innovative social entrepreneurs of our investees and their teams for all their achievements during the period.

We are particularly grateful to Big Society Capital for their support and funding to make the delivery of this pioneering fund possible.

Danyal Sattar
Director / Chief Executive
30th September 2021

A STATEMENT FROM OUR INVESTEE:

JUNE O’SULLIVAN ^{MBE}

CEO: London Early Years Foundation (LEYF)



When London Early Years Foundation (LEYF) accepted social investment we wanted to do this for two reasons.

Firstly, we wanted to support the growing social investment sector back in 2014, especially with an organisation who shared our philosophy about social impact. Secondly, we had an ambition to scale our social impact in London and required affordable capital to do so. The result was a partnership with BII which ended positively in April 2021 when we paid our final loan instalment.

We enjoyed working with BII and the shared realisation that we were contributing to a new way of financing social enterprises, which must continue to be the lifeblood of the sector.

No one will be surprised to hear us ask for lower interest rates to make growth capital more affordable for social enterprises. More social investors should consider the importance of how BII builds thoughtful and meaningful partnerships with social enterprises to improve their products –

we should celebrate the difference in those products rather than rush to become more corporate – and consider the unique nature of each social enterprise and tailor any covenants accordingly.

Thank you BII for a successful 7-year partnership!



INVESTMENT
TIMELINE SEIF II



2015

2016

2017

2018

2019

2020

2021

2022

Oct-15
Launch of the Social Enterprise Investment Fund II

Oct-15
Mental Health and Employment Partnership
£400,000

Oct-15
Be Caring Ltd
£820,000

Nov-15
London Early Years Foundation
£250,000

Nov-15
East Lancashire Moneyline
£2,050,000

Nov-15
HCT Group Ltd
£1,300,000

Apr-16
Street UK CIC
£500,000

Mar-17
Cornerstone Community Care
£500,000

Oct-17
Street UK CIC
£350,000

Oct-17
Big Creative Education
£600,000

Oct-17
East Lancashire Moneyline
(first recyclable loan)
£1,000,000

Nov-17
Fair For You
£1,000,000

Nov-17
Village Underground
£675,000

Mar-18
Five Bridges
(Changing Lives)
£32,813

Jun-18
HCT Group Ltd
£1,341,670

Jul-18
Apollo Care Leavers
£1,000,000

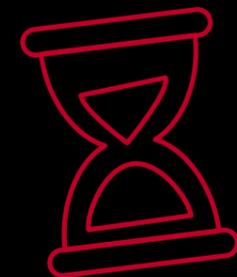
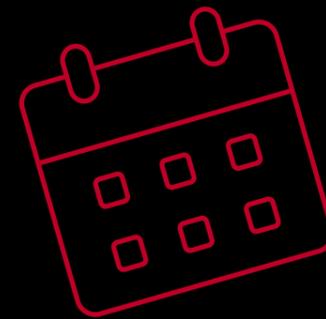
Dec-18
Smile Together Dental
£1,000,000

Aug-19
St Helena Hospice
£1,500,000

Sep-20
Five Lamps Trading
£250,000

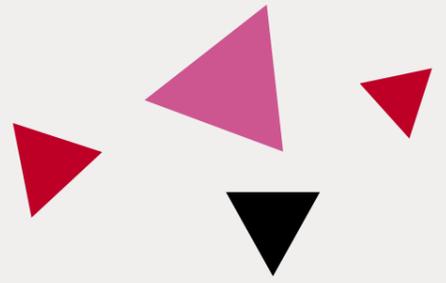
Sep-20
Homes For Good
£3,010,037

Mar-21
Homes For Good
£500,000



WE BACK HUMAN POTENTIAL

INVESTMENT PORTFOLIO SEIF II



INVESTEES*	INVESTMENT TYPE	UN SDG	BENEFICIARY GROUPS	COMMITTED CAPITAL
Mental Health and Employment Partnership Ltd	Outcomes-Based Contract	3 - Good health and well-being	Mental health needs and conditions	£400,000
Be Caring Ltd	Fixed Rate Loan	3 - Good health and well-being	Physical disabilities or sensory impairments	£820,000
London Early Years Foundation	Fixed Rate Loan	4 - Inclusive and quality education	Vulnerable children	£250,000
East Lancashire Moneyline	Fixed Rate Loan	1 - No Poverty	Living in poverty and/or financial exclusion	£2,050,000
HCT Group Ltd	Fixed Rate Loan & Rev. Part.	11 - Sustainable cities and communities	Living in poverty and/or financial exclusion	£2,641,670
Cornerstone Community Care	Fixed Rate Loan	3 - Good health and well-being	Learning difficulties and other neurodivergence	£500,000
Street UK CIC	Fixed Rate Loan	1 - No Poverty	Living in poverty and/or financial exclusion	£850,000
Fair For You	Fixed Rate Loan	1 - No Poverty	Living in poverty and/or financial exclusion	£1,000,000
Big Creative Education	Fixed Rate Loan	4 - Inclusive and quality education	Vulnerable young people	£600,000
Village Underground	Fixed Rate Loan	8 - Decent work and economic growth	Vulnerable young people	£675,000
Five Bridges Changing Lives	Outcomes-Based Contract	11 - Sustainable cities and communities	Living in precarious housing or homeless	£32,813
Five Lamps	Fixed Rate Loan	1 - No Poverty	Living in poverty and/or financial exclusion	£1,250,000
Smile Together Dental	Fixed Rate Loan	3 - Good health and well-being	Mental health needs financial	£1,000,000
St Helena Hospice	Fixed Rate Loan	3 - Good health and well-being	Health condition or life threatening illness	£1,500,000
Homes For Good	Ordinary Shares	11 - Sustainable cities and communities	Living in precarious housing or homeless	£1,000,000
Homes For Good	Fixed Rate Loan	11 - Sustainable cities and communities	Living in precarious housing or homeless	£2,510,037
TOTAL				£17,079,520

* As at 31st March 2021



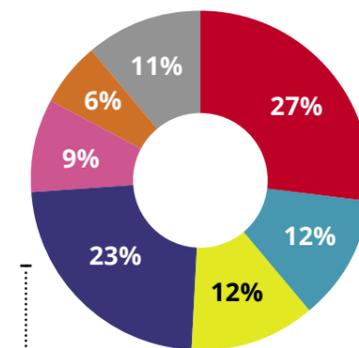
INVESTMENT MAP

The SEIF II is invested into six UK regions and Scotland with the majority in London (29%) and Scotland (23%).

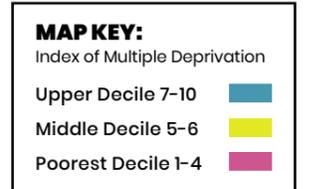
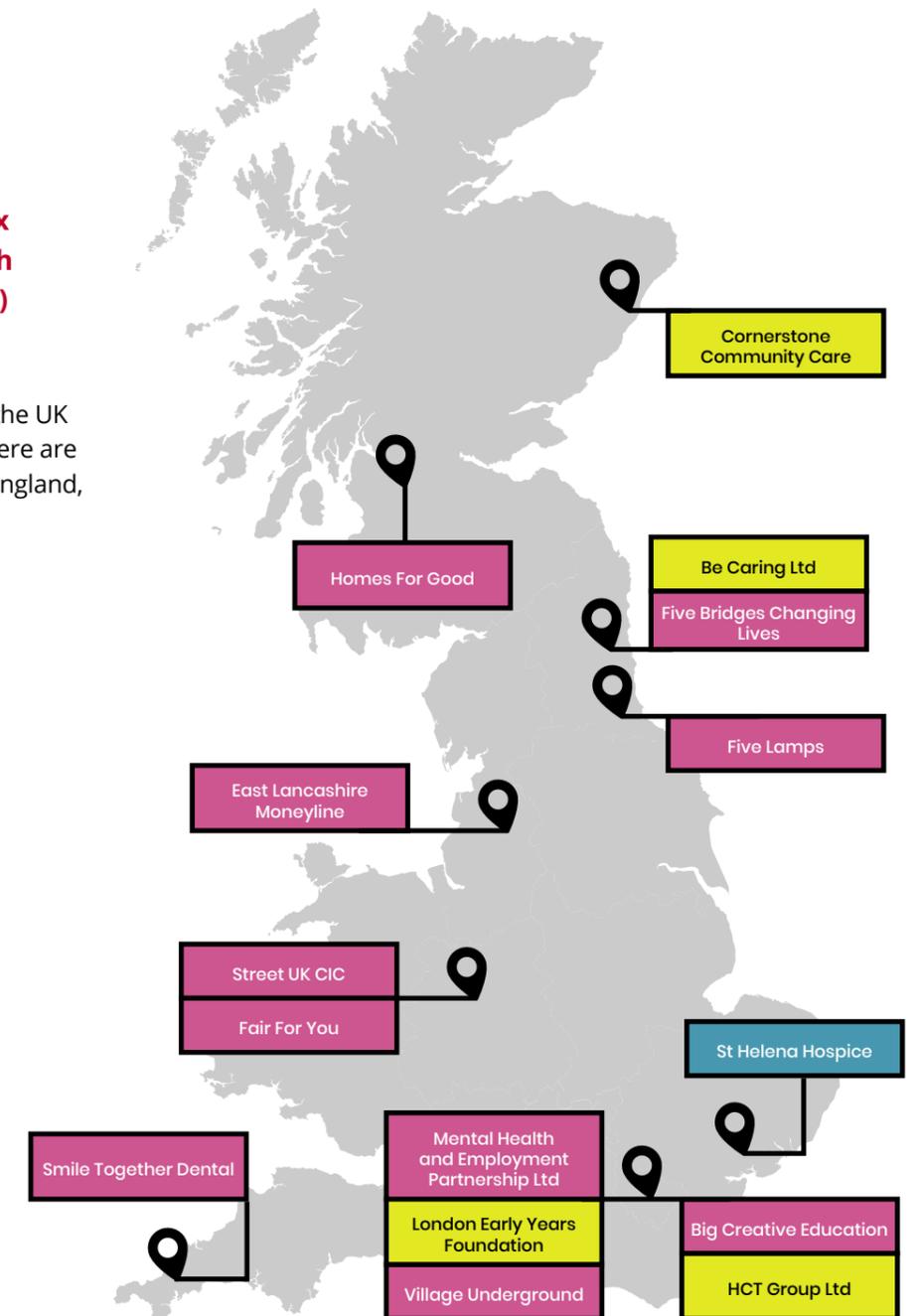
Investment into other regions in the UK are dispersed evenly by value. There are no investments into Wales, East England, or the East Midlands.



Total % of SEIF II Investment across the UK as of Mar-21



REGION	NUMBER OF INVESTMENTS	TOTAL VALUE OF INVESTMENT
London	5	£4,566,670
North East	3	£2,102,813
North West	1	£2,050,000
Scotland	2	£4,010,037
South East	1	£1,500,000
South West	1	£1,000,000
West Midlands	2	£1,850,000



FUND SUMMARY

The Social Enterprise Investment Fund II (SEIF II) has been operating since October 2015 and has provided 19 investments into 15 different social purpose organisations across the UK to date.

In addition to providing capital to social purpose organisations, our investment team provides technical assistance support, including board representation, business strategy development, and impact management support, to facilitate the development and growth of the investee businesses and social aims.

In the last year SEIF II made its largest ever investment into Homes For Good totalling £3.51 of equity and debt investment. The purpose of this investment was to refinance existing debt and support the growth of the business to provide more affordable homes in the Glasgow and Ayrshire areas.



19

Total number of investments

Street UK, Moneyline, Five Lamps, and Homes For Good have had multiple investments from SEIF II



£17,079,520

Total £ value of committed capital



90,000

Total customer reach

Rounded to the nearest 5,000

IMP Rating C - Contributing to solutions

9

IMP Rating B - Benefit Stakeholders

4

IMP Rating B/C

2

Number of portfolio companies aligned to each IMP rating

PRIMARY BENEFICIARY GROUPS

1x

Mental health needs and conditions

1x

Physical disabilities or sensory impairments

6x

Living in poverty and/or financial exclusion

1x

Learning difficulties and other neurodivergence

1x

Vulnerable children

2x

Vulnerable young people

1x

Health condition or life threatening illness

2x

Living in precarious housing or homeless

PRIMARY SDG ALIGNMENT

SUSTAINABLE DEVELOPMENT GOALS

1 NO POVERTY



3 GOOD HEALTH AND WELL-BEING



4 QUALITY EDUCATION



8 DECENT WORK AND ECONOMIC GROWTH



11 SUSTAINABLE CITIES AND COMMUNITIES



DISTRIBUTION

27%

33%

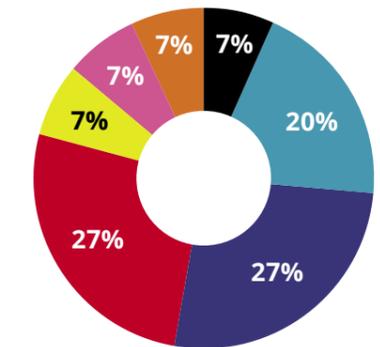
13%

7%

20%

BIG SOCIETY CAPITAL OUTCOME AREAS (PRIMARY)

- Mental health and wellbeing
- Employment, Education and Training
- Physical health
- Income and financial inclusion
- Citizenship and Community
- Housing and local facilities
- Arts, heritage, sports and faith



Headline Impact figures

£24 million

Value of affordable loans provided to individuals who are financially excluded

2,000

Children provided with fully funded education programmes

450

Adults supported into quality housing

28,000

Adults provided with health or social care services

1,000

Adults and young people supported with employment services or employment & training workshops



UN SDGs directly tackled through SEIF II

There are a diverse range of ways to deliver impact.

Using a taxonomy developed by UnLtd,¹ Big Issue Invest categorise ways of delivering impact as impact employer, impact enabler, impact services, profit donor and hybrid models. As can be seen in the diagram the majority of SEIF II investee's create impact by directly delivering services to people and communities.

How investees deliver impact % of portfolio

- Impact services 80%
- Impact enabler 13%
- Hybrid 7%



Across Big Issue Invest our overall Net Promoter Score was 90 (an increase of 7% from last year) while 71% stated that we were 'essential in achieving their organisational goals', a 17% decrease from last year.

SEIF II portfolio annual outcomes achieved (2020/21)

Investee	Mission	Target Beneficiaries	Target Outcomes	Target Indicators	Target value (2019/20)	Achieved value (2019/20)
MHEP	To assist people with longstanding mental health conditions achieve competitive, paid employment through Individual Placement and Support (IPS) services as an integral part of their treatment.	Adults with severe mental health conditions, and who are long-term unemployed	People with mental health conditions achieve and sustain employment	Referrals	1029	1262
				Engagements	853	744
				Entering employment	369	185
				Job outcomes 13 weeks	203	92
				6 months sustained	0	4
Be Caring	To be care-giving day-makers, hope-builders, smile-givers, life-changers, community-warriors with the will to make a difference	Adults with physical and learning disabilities	Service users experience improved physical health / More older people are able to manage their mental health and live a self-fulfilled independent life	No. of clients		2,339
				No. of hours of service delivered to clients		969,671
				Client Satisfaction		86%
				Salaried workforce: No. & % of salaried carer staff paid in shifts		60%
				No. of employee representatives at board (through the Voice)		2%
				Higher retention of staff and better quality of care delivered		33%
				Staff rate of retention		33%
				Staff Satisfaction		86%
				No. of children on grant funded places attending a LEYF nursery in a 12 month rolling period		1,291
				Number of grant funded hours provided to children		835,445
London Early Years Foundation (LEYF)	To change the world one child at a time through the provision of early years education; giving all children from all backgrounds the best chance of being happy, healthy and successful and enabling parents to work	Children in low-income communities	Increased provision of high quality early years learning and education in low-income communities	Children on funded only places as a % of total no. of children	20%	14%
				Dosage (average hours/ wk attended)		32
				Duration (average # of months attended by leavers)		18.5
				Number of staff apprenticeships provided		63
				Quality (% Ofsted 'Good' or 'Outstanding')		97%
				Net Lending £	£6,964,000	£4,522,000
				No. loans issued/approved	11,652	8,907
East Lancashire Moneyline IPS	To relieve poverty by providing appropriate financial services, promotion of financial inclusion and debt advice services	Low-income individuals and households	Improved access to support, advice and appropriate / affordable financial products and services	Total estimated customer savings compared to a high cost credit provider		1,295,000
				Average loan value	£651	£553
				Improved financial management and capability		12,681
				Total number of savings accounts open with Moneyline		3800
HCT Group	To enhance people's lives, provide opportunities and bring people and communities together through transport and training	Older people, people with disabilities, and people who are long-term unemployed	Improved access to services and products for underserved/vulnerable groups	Number of delivery runs provided to vulnerable people during the pandemic		700
				Number of passenger trips provided for people who are underserved/key workers during the pandemic (only includes passenger trips provided in Yorkshire)		1414
Street UK	To offer an alternative to high cost providers of credit on a sustainable basis	Low-income individuals and households	Improved access to support, advice, and appropriate and affordable financial products and services	Gross Lending £		£902,672
				% Customers in bottom 20% of Index of Multiple Deprivation Decile		76%
				Customers who are lone parents with dependent children		51%
				Customers who are social housing tenants		70%
				Improved financial management and stability		19%
				% customers with disabilities		77%
				Improved reach to low-income individuals and those who have difficulty accessing mainstream credit		80%
				Customers with Annual Household Income less than the minimum income standard (£20,100)		80%
				Total estimated customer savings compared to a high cost credit provider		£530,719
				Total number of service users		2,168
Cornerstone Community Care	To promote community service for persons who through disability, lack of care, infirmity or otherwise may require such a service	Adults and children with physical or learning disabilities, or caring needs	Service users experience improved physical health. More older people are able to manage their mental health and live a self-fulfilled independent life	% annual staff turnover		5.39%
				Staff lost time rates		17.54%
				% of customers who feel Cornerstone makes a positive difference to their lives		51%
				% of Care Inspectorate assessments rated 4 (good) or above for quality of care		71%
				No inspections undertaken this year due to Covid-19		0
Fair For You CIC	To offer a real alternative to high cost lenders and rent-to-own (RTO) stores, and offer a very practical way to address poverty by removing the premium when buying essential items for the home	Low-income individuals and households	Improved access to support, advice, and appropriate and affordable financial products and services	Net lending value		£358
				Total no. loans		£358
				Average loan value		£53.6m*
				Total customer savings compared to a high cost credit provider		71%**
				% of customers supported to move away from high cost credit		60%**
				% of customers who are single parents		37%**
				% of customer householders containing someone in receipt of Disability Living Allowance or Personal Independence Payment		90%
Improved reach to low-income individuals and those who have difficulty accessing mainstream credit		90%				
From Employment: £1169; from Benefits: £1399		£1,399				

Investee	Mission	Target Beneficiaries	Target Outcomes	Target Indicators	Target value (2019/20)	Achieved value (2019/20)	
Big Creative Community	To transform the lives of young people through inspirational teaching, and by providing exceptional access to career opportunities in the creative industries.	Young people from disadvantaged backgrounds and low-income communities, particularly from BAME communities	Increased EET opportunities for apprentices within Big Creative	No. of apprentices in off the job training in creative works		20	
				No. of apprentices working in creative works		6	
				Progression tracking data after apprenticeship into jobs, further education or training		5	
				No. of employability programmes delivered and no. of attendees		3 programmes and 45 attendees	
				Progression into EET after employability trainings		15	
				No. of digital programmes delivered and no. of attendees		9 programmes and 176 attendees	
				Progression into EET after digital skills trainings		23	
				Hours of business support provided to creative works' clients		38	
				Increased EET opportunities for students within Big Creative		83	
				No. of formal touch point/ industry meeting days provided		83	
Village Underground	To create opportunity through music, to engage young people in positive activity, open up routes into employment within the creative industries and offer high standard of training to people of all backgrounds	Young people from disadvantaged backgrounds and low-income communities	Increased EET opportunities for students within Big Creative	There is no impact data for Village Underground for the 2020/21 annual year as the venues have been closed for the majority of the year due to Covid-19.			
Five Bridges (Changing Lives)	Changing Lives strives to support people with addiction issues to overcome their problems through specialist support and programmes, and then provides ongoing support to create positive, lasting changes in their lives.	Adults who are homeless, and with multiple complex needs (including substance misuse, a history of offending, antisocial behaviour, and mental health problems)	Has a secure and suitable place to live in fit condition	Entering accommodation	10	15	
				Has the skills needed to manage and keep a place to live	Sustaining accommodation x6 months	18	37
				Enjoys good support in relation to any mental health or addiction problems	Sustaining accommodation x18 months		
				Entering and sustaining EET opportunities	Completing a wellbeing assessment	14	30
					Sustained engagement with mental health services	74	88
					Sustained engagement with alcohol treatment	14	14
					Sustained engagement with drug treatment	2	5
					f/t employment for 26 weeks	10	11
					No. loans issued/approved	0	1
					% applications converted to loans		6477
Five Lamps Trading	To Transform Lives, Raise Aspirations and Remove Barriers to Social, Economic & Financial Inclusion	Low-income individuals and households	Increased access to credit	Av. loan value £		£509	
				Customers on low incomes able to access credit	Av. credit score of borrowers		£4,043,997
				Increased number of people saving money and avoiding high cost credit	Av. Savings per customer (vs. relevant HCSTC provider) - new loans		557 (Very Poor category)
					Av. Savings per customer (vs. relevant HCSTC provider) - additional loans		£181
					% customers who avoided a high-cost lender		£271
					% customers who will avoid a high-cost lender in the future		90%
					Number of patients seen in emergency appointments	23940	21,076
					Number of special care patients seen	2160	1156
					Number of patients reached within fishing communities	140	39
					Number of new patients registered with Brighter Dental	2025	1261
Smile Together CIC	To build better oral health across Cornwall and the South West reinvesting surpluses generated into community dentistry alongside the provision of oral health and prevention programmes for children	Under-served population of Southwest England, fishing communities, children and people with disabilities	Increased provision of dental services to people across Cornwall	Number of patients reached within fishing communities	2160	1156	
				Number of patients seen in emergency appointments	23940	21,076	
				Number of special care patients seen	2160	1156	
				Number of patients reached within fishing communities	140	39	
				Number of new patients registered with Brighter Dental	2025	1261	
				Improved access to dental care ratio	Smile Together "Friends and Family" score	4.79%	4.94%
				All Smile Together patients continue to receive high quality dentistry care	"Clinical Training Ratio" (how many hours of verifiable CPD training clinical colleagues completed compared to required amount)	97%	N/A due to C-19
				Reduce tooth decay through intervention and education	Number of pupils receiving campaign support	>3 times	>3 times
					Number of pupils receiving council funded support	1245	120
					Bed Occupancy	1663	591
St Helena Hospice	To enable local people with an incurable illness to live well and die with dignity and choice	People in need of end of life care, and living in underserved communities	Maintain occupancy levels for existing St Helena patients	All St Helena patients continue to receive high quality care		82%	
				Increased funds raised for hospice partners and wider charity sector through St Helena lotteries	Your Hospice Lottery: Gross income	4.78	
Homes For Good	To create secure, quality homes for vulnerable tenants and enable landlords to successfully manage their investments whilst placing emphasis on the welfare of the tenant.	Adults who are homeless or in insecure housing, low income individuals and households	Increased number of low income individuals have access to quality housing	Total % of social tenants in HFG properties	75%	85%	
				Number of tenants with support needs in HFG properties		415	
				Demographic breakdown of tenants in HFG properties		N/A	
				% tenants in low-income work		37%	
				% tenants economically inactive or unemployed		46%	
				HFG maintains numbers of affordable properties available for individuals on low incomes	HFG rental pricing: % of properties below LHA rates; within range of LHA rates; % above LHA rates		Above LHA rate = 10% Within LHA Range (+/- 5%) = 21% Below LHA rate = 69%
				HFG maintains levels of support for tenants with support needs	Total # housing stock within HFG portfolio	191	191
				% of tenants with support needs being supported by HFG			90%



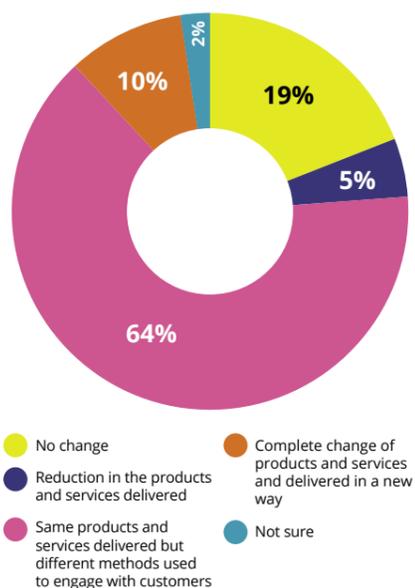
HOW WE SUPPORTED THE SEIF II PORTFOLIO THROUGH THE COVID-19 PANDEMIC

The last year has seen SEIF II investees continue to operate, redouble their efforts to provide services to their communities, and support their staff teams through the Pandemic.

BII investees, like most organisations across the UK, have had to adapt to changing operational circumstances, home-working, and uncertain futures. The investment team have supported businesses since the pandemic began to ensure that social businesses providing essential services to vulnerable people are still able to deliver the extraordinary social impact that they do. As the chart to the right shows, in almost 80% of cases the way impact is delivered by investees has been changed by the pandemic, either in the way that services and products are delivered, or in 10% of cases a complete change of both products and services and delivery.

Last year, across Big Issue Invest, we reported providing 61% of our investees with repayment holidays to provide breathing space during the Pandemic. We also provided £3.2 million of grants to 118 grantees across England as part of the National Lottery Community Fund 'Social Enterprise Support Fund' and supported the Resilience and Recovery Loan Fund to disperse £12 million of Coronavirus Business Interruption Loan Scheme, including to three of our SEIF II investees. With our support, over 50% of our investees managed to grow or maintain their work during the Pandemic. However, more work is still needed for investees to recover from the Pandemic.

How COVID-19 has changed the way the BII portfolio has delivered impact in 2020/21



THE IMPACT OF COVID-19 ON THE FINANCIAL INCLUSION SECTOR

SEIF II portfolio in Financial Inclusion sector

The current SEIF II portfolio has 22% of its committed capital into the Community Development Finance Institution sector (CDFI), making it the largest social sector SEIF II has invested into.

These investments are made up of four organisations providing savings, affordable credit, white goods financing and financial advice to customers who are financially excluded from mainstream debt services, and/or provide debt advice services and signposting.

These organisations are based across the UK, all operating in the top 40% deciles of deprivation in the UK.



Primary operating locations of our Four CDFI's

THESE ORGANISATIONS HAVE PROVIDED ALMOST **£24 MILLION** IN NEW CASH LOANS SINCE THE PANDEMIC BEGAN IN MARCH 2020.

Impact of COVID-19 on the need for affordable credit

COVID-19 has had a huge impact on people's economic wellbeing and prosperity across the UK.

According to a Responsible Finance report, before the pandemic, 20% of UK adults had low financial resilience. Between March and October 2020, this figure grew to 27% which is equivalent to 14.2 million adults.²

One result of this has been a rise in consumer demand, reported by a number of organisations in the sector³, for access to affordable credit. This is likely due to the impact of furlough, low wages, unemployment & underemployment increasing the financial strain on vulnerable customers.

The impact on people who were already financially excluded has been exacerbated by the digital divide, with over five million adults classified by the ONS as digitally excluded⁴, as face to face services and ways of accessing finance were made far harder to access during the pandemic. Two of our CDFIs continue to provide some face to face services to their customers, with the other two opting for a complete online or telephone based service.

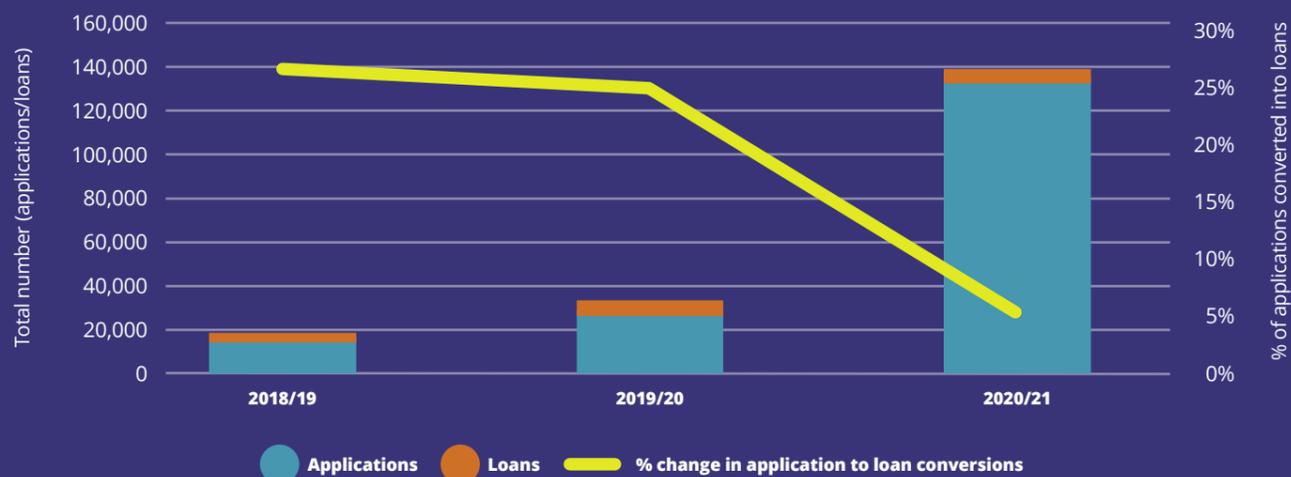
All of these factors have impacted investees within the SEIF II portfolio operating within the financial inclusion sector.

How SEIF II investees in the financial inclusion sector have responded

Across BII's CDFI portfolio, over 55,000 loans have been provided to customers in the last year, typically provided to individuals living in areas of high deprivation and living on low incomes below the minimum income standard.⁵

The demand on our CDFIs has noticeably increased over this period. As an example of the increased demand, we have used Five Lamps as an example in the chart below. Five Lamps has seen an increase in applications for loans by over 300% since the previous year, while the percentage of applications

successfully converting into loans has dropped substantially from 25% to only 5%. While increase in demand may appear to be a benefit for CDFIs, the increase in ineligible applications creates additional cost per successful loan and indicates the growing scale of people in financial hardship. This change is due to multiple factors, one of which is the increasing number of customers who are ineligible for credit due to their existing financial vulnerability e.g., those who are insolvent or have excessive debt already. These are challenges faced by providers across the sector.



HOW OUR SEIF II PORTFOLIO IS ADAPTING TO THE NEW NORMAL

CDFI's which predominately operated in high street branches had to change to telephone and online banking as they could not service customers throughout multiple lockdowns. This shift in service provision, has been accelerated by COVID-19 rather than permanently adapted by it as many of these organisations had already started shifting to this model prior to the pandemic. Changes to our portfolio service delivery model can be seen in the table below:

Organisation	Original primary trading model (Mar-20)	Adaptation to COVID-19 (as of Mar-21)
Moneyline	24% of loans provided online or via telephone with the majority of loans serviced through in person branches.	Huge shift in model as 97% of loans now delivered online or via telephone and some branches closed.
Fair For You	100% of loans provided online.	Continued with 100% loans delivered online and via telephone.
Five Lamps	95% of loans provided online or via telephone, with several in person branches based in Scotland.	Increase to 100% of services online and via telephone with remaining branches closed.
Street UK	Majority of loans conducted in branches	During Covid-19 all branches were closed and services shifted to online/telephone. As of 2021, 88% of loans continue to be provided through in person branches.

1 NO POVERTY



BII recognises access to financial services, particularly affordable credit, as a key tool in supporting people out of poverty. The growth of the CDFI sector as a direct challenge to high-cost credit is vital to a fair recovery for all from the Pandemic. Therefore, BII will continue to support our CDFIs to continue to recover and serve their customers.

LONDON EARLY YEARS FOUNDATION

London Early Years Foundation (LEYF) is one of London's largest and most successful charitable social enterprises, operating 39 (as of March 2021) award-winning nurseries, in some of London's most disadvantaged areas. Delivering education services since 1903 in the community, London Early Years Foundation (LEYF) operates across 12 boroughs within Greater London.

In November 2015 the Social Enterprise Investment Fund II invested £250,000 (taking the total BII investment to £875,000 since 2014) to support LEYF's expansion across Greater London, scaling from 26 nurseries to the 39 it operates today. This investment, part of a total £1,750,000 funding round, was match funded by Bridges Ventures and was fully repaid as of April 2021, demonstrating the impact of social investment in growing the social sector and in supporting organisations such as LEYF to expand the social impact it has within its communities.



ABOUT LEYF

LEYF's mission is to change the world one child at a time. Together with families and communities, they work to give London's children the best start in life through the highest quality Early Years education, especially those who otherwise may not be able to access or afford it.

During Covid, LEYF operated as much more than a nursery; providing emergency food parcels out of their Burgess Park, Angel and Marks Gate nurseries to vulnerable families impacted the most by lockdown. LEYF staff also continued to work in 15 nurseries during the lockdown to provide vital quality education to the children of key workers.

4 QUALITY EDUCATION

IMP Rating:
C- Contributing to solutions

“ 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.

During the Covid pandemic, you were understanding and flexible, and that was a key element of our ability to continue to contribute to the communities that we serve during this truly challenging time.

Michael Garstka, Chair of LEYF **”**



WHAT

LEYF's social purpose is to give **London's children the best start in life through the highest quality early years education**, especially those who otherwise may not be able to access or afford it.



WHO

The primary beneficiary group is:

Vulnerable Children



HOW MUCH

In the last year, **1,291** children were grant funded to attend a LEYF nursery, and in the five year loan period grant funded hours increased by **34%**



CONTRIBUTION

The aggregate investment of **£1,750,000** between 2014 and 2015 was used to acquire nurseries, expanding from **26 nurseries** in 2014 to **39 in 2021** when the investment was repaid.



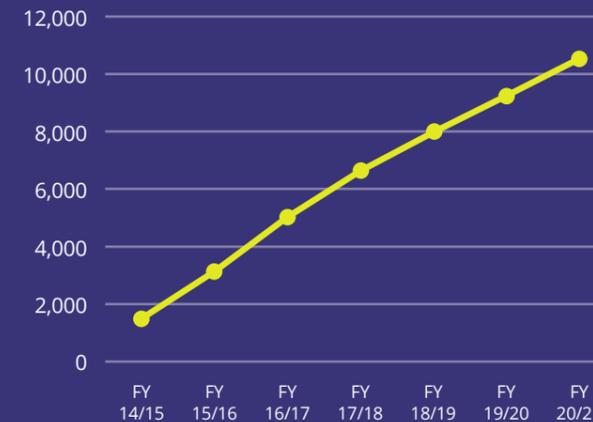
RISK

Impact Dilution:

The primary risk with scaling is maintaining consistently high standards of quality.

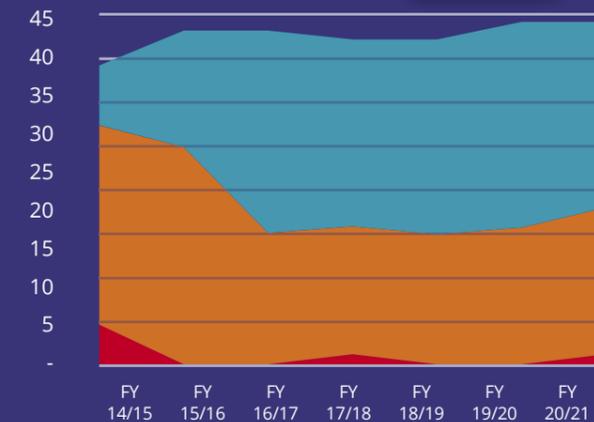
Throughout the growth period, LEYF nurseries rated 'Good' or 'Outstanding' by Ofsted **grew from 87% to 97%**.

Total children places funded across all nurseries - year on year



Total children places funded across all nurseries - year on year

Number of nurseries by OFSTED rating



Lower Good Outstanding



Over 7 years, more than **10,000** places funded to support children across London access equal early years educational opportunities.



HOMES FOR GOOD

Homes For Good (“HFG”) is a social private landlord and lettings agency in the private rental sector (PRS) who currently provide 90% of their tenancies for social tenancy.

In September 2020 SEIF II invested £1m equity and over £2m in debt financing for HFG. In March 21, this was followed up with an additional £500k debt facility to support their growth in impact by growing the property portfolio.

HFG provides a solution to the lack of affordable, high quality housing to those on low incomes in Glasgow and Ayrshire by providing secure, supportive and sustainable housing to vulnerable people. HFG manages over 194 rental properties and many tenants have faced a range of challenges and disadvantages including financial instability and long term unemployment, low income and homelessness or risk of homelessness or escaping domestic abuse.

Partners include Y-People and TARA who support people experiencing homelessness and women who are victims of trafficking. Of the 191 social tenants, 69 are beneficiaries of charity partners supporting victims of domestic abuse, asylum seekers, those who are disabled and those experiencing substance abuse.



ABOUT HOMES FOR GOOD

HFG demonstrates the model of an exceptional social housing provider who puts the needs of their tenants first, prioritising quality housing and the health and wellbeing of everyone within their properties. The organisation deploys a specialist team to develop properties to the highest standard.

HFG has an in-house tenancy support team that goes beyond sector-standard responsibility taking a befriending approach to tenants, and helping with management of benefits, assistance with form applications and general well-being support.

11 SUSTAINABLE CITIES AND COMMUNITIES

IMP Rating:
C- Contributing to solutions

THE IMPACT OF HFG

The HFG Tenancy Support team help tenants with management of benefits, assistance with applications or direct well-being support.

HFG operates in areas where there are high levels of need, and a lack of access to quality affordable housing, 88% of HFG properties are in the poorest deciles of deprivation in Scotland⁶, with the remainder in the middle deciles.

WHAT	WHO	HOW MUCH	CONTRIBUTION	RISK
<p style="text-align: center;">?</p> <p>HFG provides increased access to affordable housing in Glasgow, while supporting tenants to improve their wellbeing through wrap-around in-house tenancy support.</p>	<p style="text-align: center;">👥</p> <p>The primary beneficiary group are:</p> <p style="text-align: center;">People living in precarious housing or homelessness</p>	<p style="text-align: center;">🔄</p> <p>As of Mar-21 HFG was providing housing for 191 'social tenants', and 90% of properties were below or in range of the Local Housing Allowance rate and available for people on low incomes or benefits.</p>	<p style="text-align: center;">££</p> <p>SEIF II has invested £1 million equity alongside £2.5 million debt financing.</p>	<p style="text-align: center;">!!!</p> <p>Execution Risk:</p> <p>Potential reduction in proportion of social tenants' post-investment, HFG are currently 15% above their minimum social tenancy proportions as agreed with BII which is 75%.</p>

PROFILE OF ONE OF HFG'S TENANTS:

Margaret (not real name) was already a HFG tenant, however, she needed to find a new home for her and her two year old son when her relationship with her partner broke down.

Margaret had experienced domestic abuse in her relationship that had knocked her confidence, and was keen to find a property that she and her son could build back up their lives in. This property was close to her family network whilst being in a different area to her ex partner.

Knowing Margaret's personal circumstances meant that HFG were able to help her secure the tenancy quickly and with minimal stress. HFG also supported her to access funds for clothing, furnishings and toys.



BE CARING

Be Caring is an employee owned social enterprise care provider based in Tyneside, Liverpool, Leeds, and Manchester, whose mission is: *“to be care-giving day-makers, hope-builders, smile-givers, life-changers, community-warriors with the will to make a difference.”*

In October 2015 The Big Issue Invest Social Enterprise Investment Fund II invested £820,000 into Be Caring to support them to carry out their expansion plans by restructuring existing debt and providing working capital to cover existing contracts.

As well as providing care service, Be Caring has also endeavoured to create a more inclusive staff culture, with improved communications, better compensation and more engagement through their colleague forum, “The Voice”.



ABOUT BE CARING

As an employee owned business, Be Caring’s staff are all co-owners of the business and so share in its success. Be Caring continues to champion workers’ rights, and this commitment is reinforced by a partnership with the GMB Union to campaign at a national level for fair pay and workers’ rights within the care sector. Employee-owners are encouraged to join the union.

Be Caring is committed to learning, improvement and innovation and works closely with partners to develop new models of care suitable for the needs of modern society. One driver for this is to explore opportunities to leverage carer “down-time” enabling a move towards guaranteed hours contracts. A project operating in partnership with a Primary Care Network (PCN) in Leeds provides practical support for people to access local groups and services, helping people to get back on their feet and lead more fulfilling lives.

3 GOOD HEALTH AND WELL-BEING

IMP Rating: C- Contributing to solutions



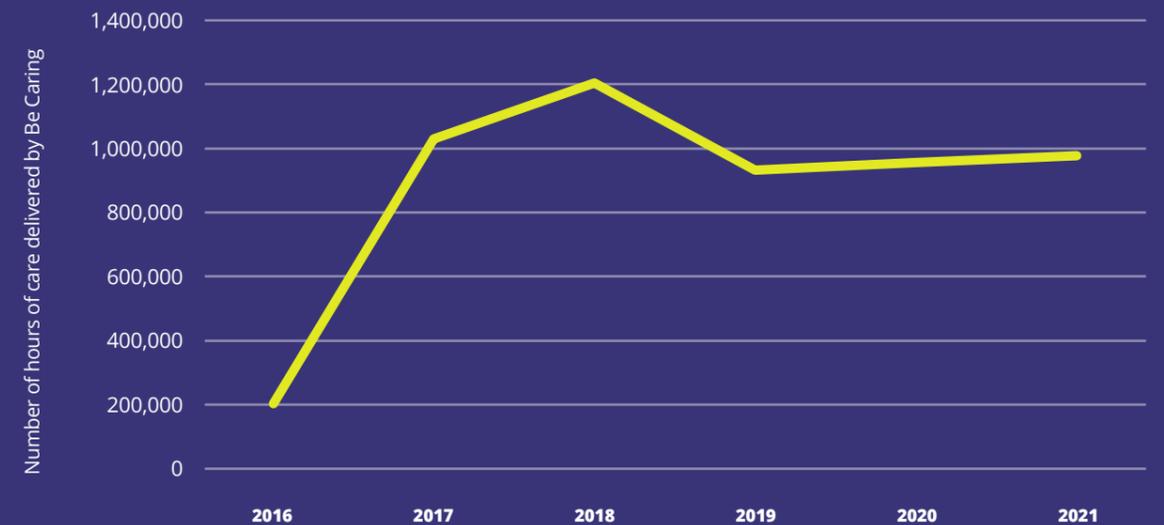
THE IMPACT OF BE CARING

During COVID-19 Be Caring has continued to deliver essential services to vulnerable people, whilst also ensuring the safety for their care staff providing these critical services. The total number of hours delivered by Be Caring has increased by 7% during the COVID-19 outbreak.

Over 70% of clients live in the highest decile of deprivation in England.

WHAT	WHO	HOW MUCH	CONTRIBUTION	RISK
<p>Providing a range of care services in the community to older people and people with disabilities.</p>	<p>The primary beneficiary group are:</p> <p>Older People, People with physical disabilities or sensory impairments.</p>	<p>In the 2020/21 year, Be Caring has provided services to 2,339 people, and employs over 800 members of staff.</p>	<p>Big Issue Invest provided an £820,000 loan for Be Caring to re-finance existing debt, allowing them to restructure and embark on their new growth plan.</p> <p>This loan was extended by 3 years in late 2020.</p>	<p>Unexpected impact risk:</p> <p>As employees within the care sector are typically on low pay and insecure work, Be Caring has staff representation on their board and have targets to become 100% salaried as a workforce.</p>

HOURS OF CARE DELIVERED BY BE CARING (2016 - 2021)



DIVERSITY, EQUITY AND INCLUSION

AT BIG ISSUE INVEST

Over the last 12 months BII has continued to prioritise improving our work around diversity, equity, and inclusion (“DEI”). We would like to take this opportunity to thank our investees for their engagement around our work on DEI, as well as our many partners and the networks in the sector⁷ who continue to push the social investment and social sectors forwards to be more inclusive and accessible to everyone.

This year we have implemented several actions to progress our practices around DEI.

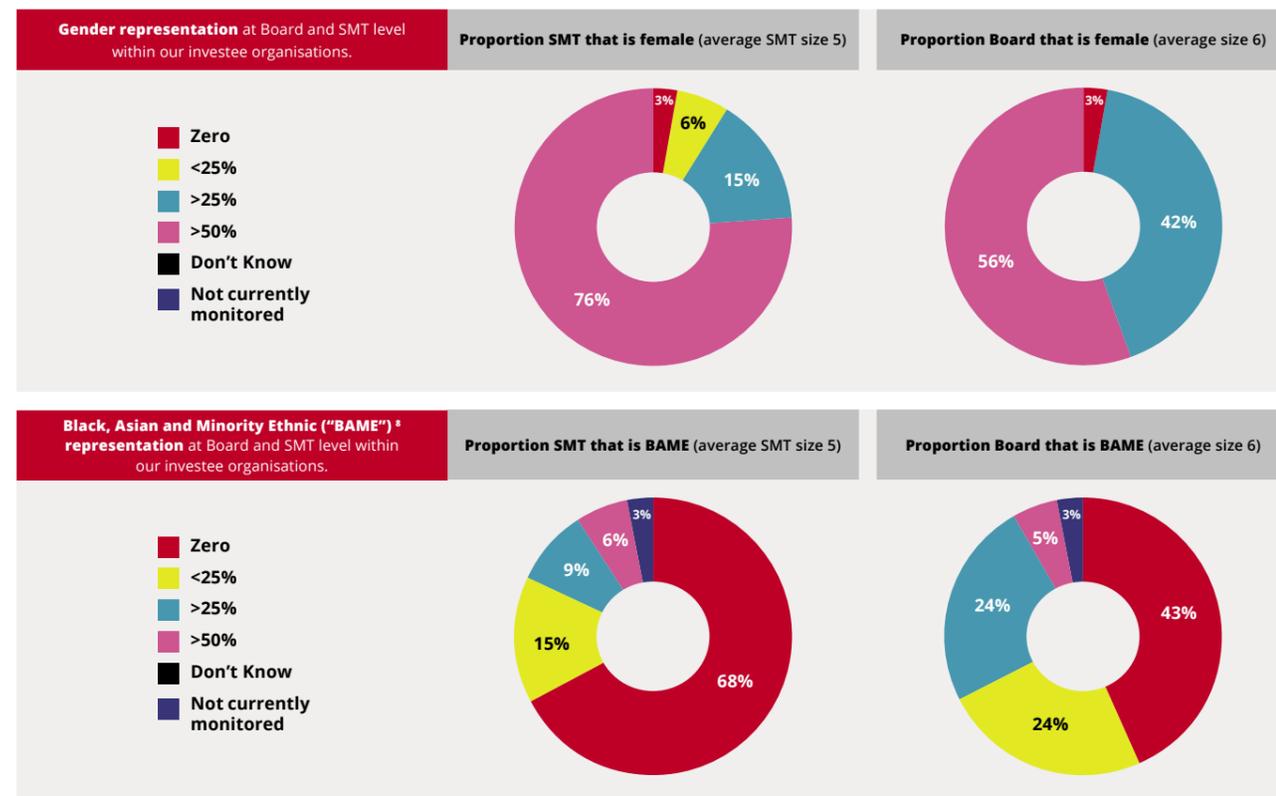
The key actions are outlined below:

1. We have created and published a [DEI Measurement Tool](#) available on our website for any organisation to download and use to measure the representation of their staff team and beneficiary groups.
2. We have publicly shared our [Impact due diligence template](#) and an example to improve the transparency of our investment processes.
3. We have carried out BII’s first ever staff survey on demographic characteristics and lived experience at Board, SMT, and staff level. The findings of this are detailed later in this report.

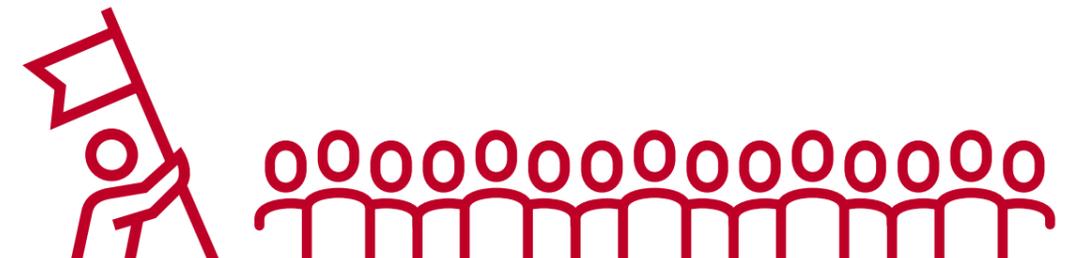
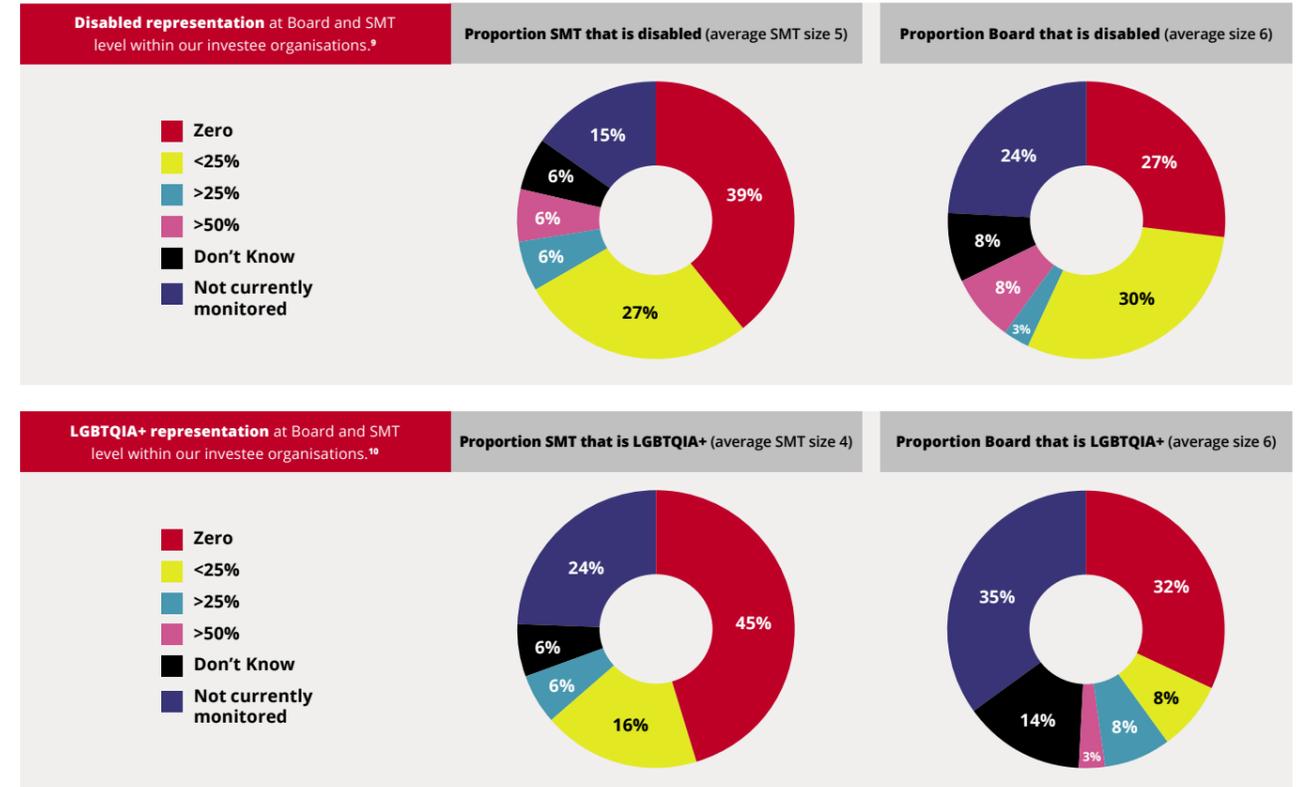
We welcome anyone to contact us for more information, or to give us feedback on our approaches to diversity, equity, and inclusion at BII. You can get in touch with Chloe Tye, our Impact and Equalities Specialist at chloe.tye@bigissueinvest.com

Our BII Investment Portfolio Representation (as of September 2021)

The findings from our annual BII Investee survey are as follows: ^



^ Survey conducted in August 2021 sent to 184 investees in BII portfolio. The response rate was 25% which means there is a 90% confidence of a 10% +/- margin of error.



Representation of Leaders with lived experience (“LLE”):¹¹

It is important for BII to support leaders with lived experience to access our products.

56% of the leaders/founders surveyed reported having lived experience of a social challenge.

The most common types of lived experience reported by our investee leadership were:

1. Lone Parenthood
2. Living in poverty/Financial exclusion
3. Mental ill Health; Discrimination; and Homelessness

Our BII Staff Team and Board Representation (as of July 2021)

This year we have completed BII's first DEI staff survey on protected characteristics and lived experience. The key insights from this survey are as follows:

1. Gender representation across the staff team is low at 24%, and the Board at 33%, however this is most prevalent within the senior management team where there is no female representation.
2. BII's Black, Asian, and Minority Ethnic (BAME) representation at Board is higher than the national population average at 44% compared to 13%, however there is no Black African, Black Caribbean, or Black British representation within this Board. BAME representation within the staff team is also low at 15%.
3. The disability disclosure rate within BII is 97%, however disability representation across the organisation is low with 87% of BII staff team and Board identifying as 'Not Disabled', and 10% identifying as 'Disabled' or 'Living with a long term health condition'.
4. 43% of the staff team, and a third of the Board reports having lived experience of a social challenge.
5. Lesbian, Gay, Bisexual, Queer (Questioning)+ (LGBQ+) representation within the staff team is 19%, while the Board has no LGBQ+ representation.

The full findings are outlined below:

GENDER REPRESENTATION	Staff Team	Board
Male	76%	67%
Female	24%	33%

LGBQ+ ¹² REPRESENTATION	Staff Team	Board
Heterosexual or Straight	71%	100%
LGBQ+	19%	0%
Prefer not to say	10%	0%

ETHNICITY REPRESENTATION	Staff Team	Board
Black African, Black Caribbean, Black British	5%	0%
Mixed/Multiple ethnicities	9%	44.5%
White Any	86%	44.5%
Other	0%	11%

LIVED EXPERIENCE REPRESENTATION ¹³	Staff Team	Board
No	47%	56%
Prefer not to say	5%	0%
Yes	43%	33%
Unsure	5%	11%

DISABILITY REPRESENTATION	Staff Team	Board
Disabled	5%	0%
Long term health condition	5%	11%
Not disabled	85%	89%
Other	5%	0%

BII'S GENDER PAY GAP

FOR THIS REPORT SNAPSHOT DATA WAS TAKEN ON 01/09/21 ¹⁴

Employee numbers: 22 employees.

BII's staff is 68% male and 32% female, and both upper quartiles of pay are 100% male.

This is BII's annual gender pay gap report. Transparency is key to improving equality within our organisation and in holding ourselves to account to our key stakeholders. As can be seen below, our mean pay gap has increased since 2019/20 by 10%, and our median gap has increased by 4%. We have made some progress with representation this year, with a 50% female Fund Management Board and a 44% female BII board. Addressing this gender staff imbalance and inequity in pay will continue to be a key organisational priority for BII over the next 12 months through our organisation wide DEI work.

We used the methodology outlined in [government guidelines](#) to calculate BII's gender pay gap.

Big Issue Invest's 2020/21 mean gender pay gap is 44.28% in favour of men

Big Issue Invest's 2020/21 median pay gap data is 38.09% in favour of men

Last Year:

Big Issue Invest's 2019/20 mean gender pay gap is 33.85% in favour of men.

Big Issue Invest's 2019/20 median pay gap data is 34.35% in favour of men.

Proportion of males & females in each quartile 2020/21

Quartile	Male	Female
Q1	100%	0
Q2	100%	0
Q3	20%	80%
Q4	50%	50%

This year we are also publishing our Highest to Lowest pay ratio¹⁵ for Big Issue Invest which is:

5.29:1

Acknowledgements for SEIF II



DIRECTORS OF THE GENERAL PARTNER

Danyal Sattar

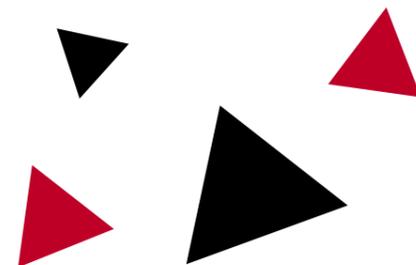
Danyal Sattar joined Big Issue Invest as CEO in December 2018. He has more than 25 years' experience in the social and ethical investment, charitable and impact investment sectors, working on social investment for organisations such as the Joseph Rowntree Foundation, Esmée Fairbairn Foundation and Access as well as for social investors Big Society Capital, Charity Bank and Aston Reinvestment Trust.

Parveen Bird

Parveen Bird has worked at The Big Issue for 15 years in various roles. Starting on a voluntary basis in the publishing and marketing department, Parveen now sits on the Group Board of Directors and on the Big Issue Invest Board. Parveen is also a trustee of the Big Issue Foundation. Prior to this Parveen worked as a broadcast journalist at GMTV and the BBC.

Stephen Howard

Stephen Howard is the chair of Power to Change after retiring as chief executive of Business in the Community after 10 years in post. Stephen brings a wealth of senior management experience acquired in the corporate sector. He has held a number of executive and non-executive roles including chief executive of Cookson Group plc and Novar plc. Stephen's other roles include chair of Thames Reach and trustee of Big Society Capital.



THE INVESTMENT ADVISORY COMMITTEE

includes the following members:



Tim Farazmand (Chair)

Tim has worked for over 30 years in private equity and was Chair of the British Venture Capital Association for the 2014-2015 term. Tim chairs the Palatine Impact Fund, PCB Partners and Estio. He sits on the boards of BSVT plc, The Lakes Distillery, Vinoteca and the Advisory Board of Beechbrook Capital.



Georg Stratenwerth

Georg Stratenwerth works as a senior adviser to Pillarstone. He spent most of his career in private equity, initially with JP Morgan Partners and then Advent International. He worked as a management consultant at Mercer Management Consulting and Roland Berger and Partner. Georg also serves as a member of the Ashoka support network and is on the Board of Trustees of ClientEarth and CASA, a Big Issue Invest investee.



Jeremy Rogers

From 1998 to 2008 Jeremy Rogers was at JP Morgan, where he set up their successful European High Yield and Distressed Debt group. When he was promoted to MD in 2005, he became the youngest MD in JP Morgan's history. Jeremy is now chief investment officer for Big Society Capital. He also sits on the Investment Committee of the Lankelly Chase Foundation and is a senior adviser to the Rockefeller Foundation's Innovative Finance programme.



John Gilligan

John Gilligan has worked in the private equity and venture capital industry for more than 30 years. He started his career in 1988 at 3i Group plc as a financial analyst. He was then a corporate finance partner of Deloitte and latterly BDO for more than 20 years. He is director of the Oxford Said Finance Lab at Said Business School, University of Oxford. John is also a visiting professor at Imperial College Business School and has degrees from Southampton University, Nottingham University and London Business School.



Sara Redford

Sara is an experienced social investor, having led the investment teams at Social and Sustainable Capital and the Social Investment Business. Sara also spent over a decade structuring debt and quasi-equity solutions to support private equity backed management buyouts across Europe.



FUND

MANAGEMENT TEAM

Lars Hagelmann

Head of Fund Management

Lars joined BII in 2016, with over 20 years experience in direct investment and investment management and is now leading the Fund Management team. Lars started his career in Berlin with BDO in Corporate Finance before moving to London to work for SISU Capital, sourcing and managing direct Private Equity investments. He spent 6 years in the middle east in Venture and Private Equity with a focus on education, healthcare and real estate.

Mark Lovell

Head of the Outcomes Investment Fund

Mark Lovell has more than 20 years' experience as a CEO, executive chairman and non-executive director of organisations involved in the delivery of public services both in the UK and internationally. Having worked across the social investment market since 2008 he has extensive experience working with commissioners, providers and investors on the development of social impact bonds.

James Potter

Investment Director

James has a background in corporate finance having spent over 10 years advising on stock market flotations and helping large companies with debt financing. Before moving to BII in 2019, he spent four years in the social investment sector working as an Investment Director at Numbers for Good, a social finance intermediary specialising in assisting social enterprises of all sizes prepare the materials that they needed in order to secure social investment.

Jonathan Page

Investment Director

Jonny started his career at Deloitte, where he qualified as a chartered accountant, heading up post-transaction valuation assurance work across the EMEA region and managing subsidiary audits of US listed clients. Before joining Big Issue Invest, Jonny spent two months supporting a social enterprise in Cambodia.

Sergio Sanchez Toledo

Investment Manager

Sergio started his career in finance control, then moved to PwC where he worked as a systems and processes auditor and further developed his career as a risk management consultant. He combines experience working for commercial, public sector and non-profit organisations in the UK and Spain.

Ben Tiplady

Investment Analyst

Ben supports the fund management side of Big Issue Invest. He helps with reporting requirements to the board and outside stakeholders, social impact scoping and analysis. He comes from a background in social finance.

Oyinkan Olatunji

Team Administrator

Oyinkansola comes from a background in legal and finance administration. She supports the fund management side of Big Issue Invest as their Team Administrator. She assists with documenting board and committee meetings, committee paper drafting, external and internal communication, GDPR, KYC / AML monitoring and Sector analysis.

Josh Meek

Head of Impact

Josh started his career in international development in 2013 working in East Africa focused on agricultural and economic development programmes with Farm Africa. Josh focused on working with small businesses and cooperatives in different value chains including coffee, horticulture, fisheries, sunflower and nuts and supported businesses to grow their ventures and social impact. Before joining BII in 2019, Josh completed one year at UnLtd working with social ventures across the UK to measure their social impact and led UnLtd's economic research work focusing on identifying the cost effectiveness of social ventures' work on reducing the disability employment gap.

Chloe Tye

Impact and Equalities Specialist

Chloe Tye has an MSc in International Relations and Global Issues from Nottingham University, and her professional background is in data analysis within the education sector. Chloe supports the Fund Management team with impact due diligence, impact management support, and impact reporting. She is also responsible for BII's wider work on diversity, equality and inclusion.

BIG ISSUE INVEST

FUND INFORMATION

www.bigissueinvest.com

GENERAL PARTNER:

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N4 3HH

DIRECTORS OF THE GENERAL PARTNER:

- Parveen Bird
- Stephen Howard
- Danyal Sattar

MANAGER:

Big Issue Invest Fund Management Ltd
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Finsbury Park
London Great
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N4 3HH

DIRECTORS OF THE MANAGER:

- Pete Flynn (Chair)
- Parveen Bird
- John Gilligan
- Danyal Sattar
- Melanie Tillotson
- Selina Kapellos (*appointed Apr 2021*)

Limited Partnership Registration Number: LP016824

REGISTERED OFFICE:

113-115 Fonthill Road
Finsbury Park
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REFERENCES AND QUALIFIERS

1. <https://www.unltd.org.uk/our-work/research/findings-10-understanding-social-business-models-in-the-employment-sector/>
2. Responsible Finance, (2021), 'Personal Lending Report', <https://responsiblefinance.org.uk/policy-research/annual-industry-report-personal-2/>
3. <https://www.businessupnorth.co.uk/rapid-rise-in-customers-for-ethical-lender-during-pandemic/>
4. <https://www.ons.gov.uk/peoplepopulationandcommunity/householdcharacteristics/homeinternetandsocialmediausage/articles/exploringtheuksdigitaldivide/2019-03-04>
5. The minimum income standard in 2020/21 is >£20,100.
6. The poorest deciles of deprivation are ranked as 1-4 on the Scottish Index of Multiple Deprivation, the Middles deciles are 5-6, and the least deprived are 7-10. More information available here: <https://www.gov.scot/publications/scottish-index-multiple-deprivation-2020/>.
7. A special thanks to The Diversity Forum, The Equality Impact Investing Project, The DEI Data Group convened by Fozia Irfan and Josh Cockroft, UnLtd: The Foundation For Social Entrepreneurs, and the many others who have contributed to our learning with their publications, resources and continual support.
8. The term BAME is used here to comprise all Black, Asian, Mixed and Minority ethnicities, including Roma, Gypsy and Irish Traveller communities. BAME is used as an all-encompassing term for these groups so that we are able to group the limited data that is available to show ethnicity of organisational boards and SMT and wider trends in disparities between ethnicities. This term has been used with the understanding that social, economic and racial disparities impact the groups within this category very differently and any findings will need to take that into account.
9. Disabled is defined as per the UK Equalities Act 2010 <https://www.legislation.gov.uk/ukpga/2010/15/section/6>
10. LGBTQIA+ is the acronym for Lesbian, Gay, Bisexual, Transgender, Queer (or questioning), Intersex, Asexual and other non-cis or heterosexual identities. BII takes definitions from Stonewall's glossary of terms when referencing LGBTQIA+ communities. More information <https://www.stonewall.org.uk/help-advice/faqs-and-glossary>
11. Leaders with lived experience are defined as people who use their first-hand experience of a social issue to create positive change. They are rooted in the communities they serve, designing solutions with their peers in these communities.
12. Lesbian, Gay, Bisexual, Queer (Questioning)+
13. We defined Lived experience within the survey as: 'Lived experience means you or a close relation has been directly affected by a social challenge.'
14. We used the methodology outlined in government guidelines to calculate BII's gender pay gap.
15. For more information on Highest to Lowest pay ratio and the averages within the social enterprise sector, please see Social Enterprise UK's 2019 report here: <https://www.socialenterprise.org.uk/state-of-social-enterprise-reports/capitalism-in-crisis-transforming-our-economy-for-people-and-planet/?su=t0>



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