



FARESHARE SOUTH WEST




 Social Investment Tax Relief has enabled us to grow quickly and support an ambitious business plan.

Jacqui Reeves, CEO,
FareShare South West

Problem

There are over four million vulnerable people in the UK who cannot afford a healthy diet. Yet thousands of tonnes of in-date food are wasted each year due to packaging errors, out of date promotions and shape standards.

Solution

FareShare South West works with the food industry to reduce the amount of fit-for-purpose food going to waste. The produce is distributed to local organisations working with vulnerable people, ensuring those in the community that are most in need have nutritious food.

Revenue Model

The loan will be repaid through revenue generated by the Surplus Supper Club, the catering arm of FareShare South West. Using food that would otherwise be thrown away, the Surplus Supper Club provides socially conscious and sustainable catering.

Impact

FareShare South West distributes 30-40 tonnes of food each month across the South West, roughly 83,000 meals, supplying over 130 community organisations, from food banks and supported housing to breakfast clubs and addiction agencies.


Invested £70,000 through Social Investment Tax Relief


Cost of capital 5% for first 36 months
 7% for remaining 24 months


Turnover £400,000+


Duration of investment 5 years

Organisational form

Charity

Investors

Individual investors

Other key organisations

Resonance

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SOCIAL INVESTMENT TAX RELIEF

Social Investment Tax Relief (SITR) is a new tax relief designed to encourage individuals to support charities and social enterprises and help them access new sources of finance. Individuals making an eligible investment can deduct 30% of the cost of their investment from their income tax liability.

Eligibility

The maximum investment into an individual organisation is approximately £280,000 over three years.

Individual investors can invest up to £1million and can invest in multiple social enterprises per year. This relief is set on a par with the Enterprise Investment Scheme (EIS).

In the 2014 Autumn Statement, the Government announced its intention for this limit to increase to £5million per year and £15million in total per organisation, subject to EU state aid clearance. The Government also intends to provide for social venture capital trusts in the near future.

Why investors are using SITR

I had heard about social impact investing but didn't know how I could get involved. The introduction of SITR meant I could make a social impact investment through a tax efficient structure. With the help of my financial planners, I was able to deploy capital into this innovative investment product which is addressing a cause that seems to me really worthwhile.

Mike Davies, Private Investor

Key terms

What organisations can benefit?

Charity	✓
Community Interest Company	✓
Community Benefit Society	✓

Accessible to

Institutional investors	✗
Professional individual investors	✓
Retail investors	✓

Tax incentives

Income Tax Relief (30%)	✓
Capital Gains Tax Deferral Relief	✓
Capital Gains Tax Disposal Relief	✓

Product types

Unsecured loan	✓
Equity	✓
Quasi-equity	✓
Social Impact Bond	✓

Investment method

Direct	✓
Nominee fund	✓

www.bigsocietycapital.com/SITR

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