



SOUTHVILLE COMMUNITY DEVELOPMENT ASSOCIATION



The Crowd Match Fund enabled us to increase quality nursery school places for local children.

Dr Simon Hankins, CEO, Southville Community Development Association

Problem

The number of under 5-year-olds in Bristol has grown by 36% in the last decade, but the area has a shortage of nursery places and cannot keep up with the increasing demand. Like many other facilities in the local area, the Southville Centre has a long waiting list for its nursery care places.

Revenue Model

Southville Community Development Association raised money using a bond eligible for Social Investment Tax Relief (SITR) via Ethex. The amount was doubled by the Crowd Match Fund. Investors will be repaid from revenue generated by the paid-for nursery places and room hire to clubs and societies.

Solution

The Chessel Centre will create 54 additional nursery places, offering quality nursery care all year round. The centre was built with Power to Change funding, a bond arranged by Triodos Bank and supported by an ICRF investment readiness grant.

Impact

There are 160 children registered to attend the nursery. When the new centre opens, parents currently on the waiting list will have access to quality childcare and early years education. State-funded free childcare will increase from 15 to 30 hours in September 2017, giving more parents the option to work.

 **Invested** £560,000

 **Cost of capital** 4%

 **Turnover** £1,079,000

 **Duration of investment** 6 years

Organisational form

Private company limited by guarantee and registered charity.

Investors

Individual investors

Other key organisations

Big Society Capital, Triodos Corporate Finance

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THE CROWD MATCH FUND

The £10m Fund will see Big Society Capital match crowdfunded investments into SITR eligible organisations on three partner crowdfunding platforms: Ethex, Crowdfunder and Community Chest. It will connect individuals to projects they care about, enable charities and social enterprises to raise more capital and encourage the uptake of SITR.

Approach to investing

Ethex only works with organisations that have a clear social mission at their heart, combined with high standards of governance and a well-established track record. Working in close collaboration, Ethex enables organisations to access new sources of investment from its 10,000+ strong investor base who are keen to generate social, environmental and financial returns.

Ethex brings together the best positive savings and investment opportunities on one platform, making it easier to make money do good. To date, Ethex has helped more than 55 charities, social enterprises and businesses raise over £52 million.

Why did Ethex list the bond?

Southville Community Development Association provides significant value to Greater Bedminster's local community by supporting more than 25,000 people each year with much-needed nursery places and community services. Match funding encouraged investors to support the offer in the knowledge their investment was being doubled and the full £280,000 target was hit in less than five days, making a total of £560,000 – a fantastic achievement.

Lisa Ashford, CEO and Director, Ethex



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%)	✓
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Product types

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

Investment method

Direct	✓
Nominee fund	✓

www.bigsocietycapital.com/crowdmatchfund

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