

Applying for impact investment

Finding the right type of finance for your social enterprise or community project can be challenging. We understand that entrepreneurs and leaders are often juggling multiple demands and opportunities and we have attempted to streamline the application and assessment process so that it meets your needs.

At City Funds, we want our investment to help unlock your ambition—from application to approval to post-investment support, our goal is to help bring your ambition to life.

Our Impact Investment Fund is designed to advance the ambitions of organisations building positive impact in Bristol. The information below is intended to give you a clear summary of how we invest in projects and the criteria that we are looking for. After reading through, we invite you to get in touch with a member of our impact investment team and we can kick off the application process.

Our funding is direct, repayable investment made into organisations creating positive social or environmental impact. These projects may be types of business that commercial finance providers may not fully understand. Because City Funds is exclusively focussed on investing in Bristol, we go the extra mile to listen to you, have local insight that other lenders may lack and can assess each project on its local value. Ultimately, our goal is to provide affordable and accessible corporate finance for projects that benefit our city.

Please do be aware that in assessing applications for investment, we may be required to perform a credit check on you and your business. Any fees, including interest, charges and due diligence costs, will be agreed on an individual basis. Do ask us if you have any questions about fees and charges associated with investments.

Our approach is to be a supportive and understanding investor. We pride ourselves on a culture of listening to your ambitions and then tailoring our investments to work for you. We will partner with you over the duration of the investment, link you with others who can add value, and recognise that things sometimes go differently than planned. Our goal is to use all the tools at our disposal to help you solve some of the biggest problems facing our city and communities. Do get in touch with us at info@bristolcityfunds.co.uk to find out how we can help.

We look forward to hearing from you.

Bristol & Bath Regional Capital CIC is the investment advisor to City Funds. BBRC is an appointed representative of The Social Investment Market CIC, which is authorised and regulated by the Financial Conduct Authority. To contact BBRC directly, please email info@bab-rc.uk or write to us at: Desk Lodge, 5th Floor, 1 Temple Way, Bristol, BS2 0BY.

What's your ambition?

City Funds invests in organisations with an ambition to deliver positive impact in Bristol. Our vision is that Bristol is a thriving and healthy city, built on a fair social foundation within sustainable environmental boundaries.

We use Bristol's One City Plan to guide us in understanding what positive impact looks like. Currently, we focus on four impact areas that support these long-term goals:

Economic Inclusion	Environmental Transformation	Community Initiatives	No Child Goes Hungry
We fund initiatives that promote full participation and ownership in a diverse and local economy	We fund the transition to a carbon neutral, zero-waste city, that promotes the health of the natural environment	We fund community initiatives to help them play an impactful role in Bristol and develop community resilience	We fund initiatives that grow, purchase, prepare and cook fresh, healthy and affordable food for kids

If you believe you are having impact in one of these areas, or in a priority area separately addressed by the One City Plan, we'd love to hear from you.

Our financial tools

Our investments are tailored to help organisations and communities implement their own solutions to some of the biggest problems facing our city. We tailor our terms to design the best financial structure for each organisation's long-term success, working with each project on a case-by-case basis on the amount, rate, term and repayment schedule that best unlocks resilient solutions for Bristol.

Value: City Funds can invest between £50,000 and £1 million, depending on the type of the project and the experience of the leadership team.

Type: We can structure our investments as loans or equity. We can also create lending agreements called quasi-equity. This is sometimes useful for organisations that cannot sell shares in their business. Similarly, yield sharing agreements may suit those who cannot take interest bearing loans for faith reasons.

Security: We can take security on assets owned by your organisation to reduce the risk of an investment and increase its affordability. We do not generally seek personal guarantees but do keep in mind that any property used to secure a loan

may be repossessed if you do not keep up with loan repayments.

Repayments: We can offer flexible repayment schedules and holidays, helping you establish strong cash flows at key phases in your project.

Term: The length of the investment significantly affects repayments. We can issue investments for up to eight years, and potentially profile these for longer.

Rates: Our rates on interest-bearing loans are generally between 4% and 10%.

Fees: We need to charge a fee of between 1% and 3% of the value of the investment to help pay for costs in getting the money to you. You'll also need to meet your own costs such as legal fees or surveys.

Our application process

Bristol & Bath Regional Capital are the investment advisers for City Funds, and your application for impact investment is assessed and progressed by BBRC. Our partnership approach ensures that you are informed and confident at each step of the process.

1. Discovery stage

City Funds will initially ask you to complete a two-page introduction sheet that you can send to the impact investment team at BBRC. This form will collect general information about your organisation, your project, your impact and financial requirements. We encourage you to provide us with as much information as you can, understanding that some elements may not yet be finalised.

To request an information form, please email our team at info@bristolcityfunds.co.uk.

At this point, our team will try to determine the likely fit between City Funds and your organisation. Some of the things that we will look at are outlined below in our assessment checklist. It may be that we don't think we can help you, in which case we'll tell you right away and hopefully point you in the direction of someone who can. If we think there may be a fit, we'll arrange a face-to-face conversation to find out more about your ambition.

2. Information Gathering stage

If we agree to press ahead, this meeting will be followed by a further period of information gathering where we will listen in detail to your plans, share ideas on achieving them, and tailor a financially viable solution. This stage can take as little as a month, but can take longer, depending on the availability of key information and people.

3. Committee stage

Once we have all the required information, our investment manager will take a detailed proposal to our Investment Advisory Committee, which meets monthly. If the committee agrees with the proposal, it will go to our FCA-regulated fund manager along with any amendments for formal agreement.

We will then be in a position to give you a written offer of investment that will outline all the terms and conditions, fees and repayments. If at this stage you wish to negotiate or amend the offer, this is usually possible. We'll also be able to talk about how we can add advice and support for the duration of the investment.

4. Brokerage stage

Sometimes City Funds will choose to only fund part of the full amount you require. This may be because you need more than our maximum investment of £1 million, or because we are able to use our investment as a way to help you access loans from other lenders or investors. In this case, BBRC can use their brokerage services to help you raise the outstanding balance, for an additional fee if successful.

5. Investment stage

If you decide to accept a City Funds investment, that's just the beginning. We are active investors and will continue to work with you to maximise your financial resilience and positive impact. This could be through regular meetings, support for your executive or board, or helping with your reporting. We want to partner with you for the long-term to realise your ambition.

Assessment checklist

If applying for investment, do you...

1. ...have a sound and commercial business idea?	
	A coherent vision
	An evidenced market for your product or service
	A sound business idea and strategy
	A financially viable business model
2. ...achieve measurable public/social benefit according to at least one of City Funds' four funding priorities?	
	Demonstrate impact in at least one of our four funding priorities
	A sound impact strategy
	Clear indicators of success
	Aiming towards systems change
3. ...have the capacity to deliver?	
	Appropriate leadership
	Strength of your Board
	Capacity of your organisation
	Overall quality of your investment proposal
4. ...exhibit local civic commitment to all stakeholders?	
	Commitment to a community within Bristol
	Community participation
	Promoting local growth
	Ethical policies and procedures
5. ...are ready to take on repayable finance in the form of debt or equity?	
	A certain level of financial expertise
	Willing/able to engage with our team
	Willing/able to establish long-term relationships with investors
	Ability to meet loan repayments or payments to equity investors