BIG ISSUE INVEST

Impact report:
A decade of proving social investment works

2025/26 Social Enterprise Investment Fund II

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Welcome note from James Potter, Director of SEIF II

We are pleased to present the 10-year impact report for the Big Issue Invest Social Enterprise Investment Fund II L.P. (SEIF II or the Fund), marking a decade since its first investment. Over this period, SEIF II has demonstrated the role that social investment can play in scaling solutions to some of the UK's most pressing social challenges.

Since inception, SEIF II has invested in 16 social enterprises, with five currently active in the portfolio. Together, these organisations have reached 1.7 million people over the last decade, including more than 21,000 in the most recent financial year, reflecting sustained and growing demand for these services.

SEIF II launched in October 2015, raising £23.8 million from thirteen Limited Partners. The Fund was established to provide creatively structured, medium-term growth capital to social enterprises with strong potential for scale, financial sustainability and meaningful social impact.

The Fund has operated through a decade marked by significant external challenges, including the Covid-19 pandemic, the UK's exit from the European Union, and ongoing economic pressures. Many of our investees have operated within a persistently constrained funding environment, particularly in sectors such as adult social care, where public spending has remained below 2010 levels in real terms.

£23.6 million

(99%) has been deployed, of which **£10.7 million** has been repaid, alongside **£6.6 million** in income generated.

Against this backdrop, the resilience of the portfolio has been a defining feature.

Through active management, the majority of investees have scaled operations, strengthened governance and stabilised revenue models. Multiple full loan repayments have been achieved, demonstrating organisational resilience, not dependency. A defining legacy of SEIF II is its contribution to shifting the narrative: emphasising that social enterprises can be independent of subsidy and capable of scale, and repaying capital in their own right, while delivering sustained social impact.

This report reflects on outcomes delivered across key sectors, supported by selected case studies from the portfolio. As the Fund approaches the end of its lifecycle in 2027/28, a more comprehensive assessment of performance and key learnings will follow. Here, the focus is deliberately on social impact delivery.

We thank our Limited Partners, portfolio organisations, and wider stakeholders for their continued support and partnership, and look forward to working together on future opportunities to scale this impact in the years ahead.

James Potter
Director of Investments
September 2026

SEIF II has helped to dispel a myth that social enterprise is grant dependent and lacks efficacy. The SEIF II investment portfolio has proven capable of scaling, repaying capital and, as this report sets out, delivering measurable intentional impact.

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Executive Summary

A decade of investment, impact and proof

Ten years on from its first investment, SEIF II reflects on what has been delivered and what social investment can achieve at scale

£23.6 million invested across

23 investments in **16 social enterprises**

1.7 million* people reached — approximately equivalent to 1 in every 40 people in the UK

Investing into solutions tackling the root causes of poverty and inequality

Through expanding access to essential services and creating pathways into secure, sustainable work

63%

of the portfolio operates in the UK's **most deprived areas** (IMD deciles 1-4)

SEIF II funding is targeted towards communities facing the highest levels of disadvantage

Over

50%

of the portfolio serves people experiencing poverty, financial exclusion, or housing insecurity

Supporting those facing the greatest barriers to stability and opportunity

Demonstrating organisational resilience, not dependency

Social enterprises have continued to scale and deliver impact despite significant external challenges, including Covid-19, funding pressures, and wider economic disruption

* 1.7 million people is the sum of annual people reached figures over the last decade

SEIF II: 10 years of impact

£23.6 million invested (99% deployed)	**23** investments	**16** social purpose organisations supported	**1.7** million people reached

Where Impact Happens

Targeting underserved communities across the UK

The SEIF II is invested into seven UK regions, with the majority in **London (38%)** and **North East (19%)**, followed by **Scotland and West Midlands (both at 13%).** Investments into other regions in the UK are dispersed evenly by value. There are no investments in Wales.

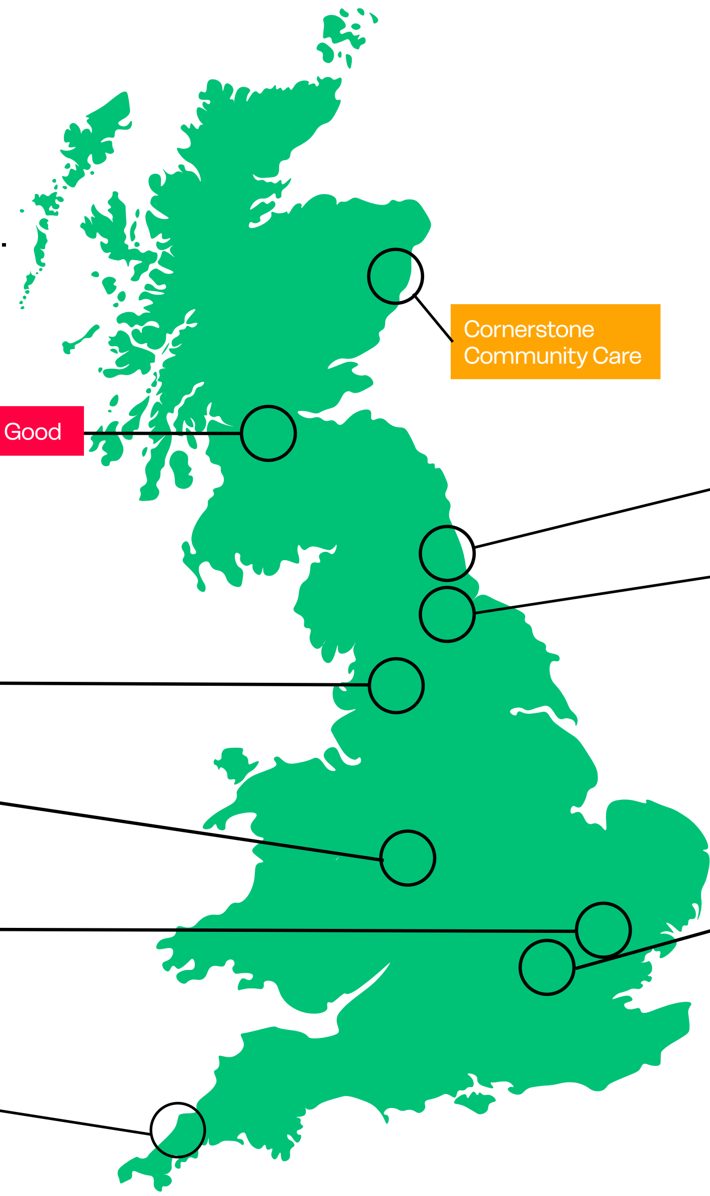
Map Key:
Index of Multiple Deprivation

Upper Middle and Upper Decile 7–10

Middle Decile 5–6

Poorest Decile 1–4

63%
of the portfolio operates in the UK's most deprived areas.



What Impact Looks Like (6 Outcome Areas)

Employment & Training

3,500+
people supported

Creating pathways into employment and training for those facing significant barriers

MENTAL HEALTH EMPLOYMENT PARTNERSHIP · bce

Education & Learning

10,000+
children and young people supported

Improving access to education, skills, and future opportunities

leyf Nurseries · VILLAGE UNDERGROUND

Health & Social Care

20,000+
people supported each year

Improving access to essential health and care services

Be Caring · Cornerstone · (Smile:Together) · StHelena Hospice

Housing & Homelessness

400+
people housed

Providing access to secure, stable homes

CHANGING LIVES · Homes For Good

Financial Inclusion

£100 million+
in responsible lending

Helping households avoid high-cost credit and reduce the poverty premium

FIVE LAMPS · FAIR FOR YOU · MONEYLINE · streetUK

Community & Infrastructure

1 million+
journeys enabled

Connecting people to work, healthcare and services

hct group

How Impact Is Assessed

Aligned to UN Sustainable Development Goals

19%	1 NO POVERTY
31%	3 GOOD HEALTH AND WELL-BEING
13%	4 QUALITY EDUCATION
13%	8 DECENT WORK AND ECONOMIC GROWTH
19%	11 SUSTAINABLE CITIES AND COMMUNITIES
5%	13 CLIMATE ACTION

Guided by Impact Management Project norms*

Does or not cause harm	0
Benefit stakeholders	5
Act to avoid harm	0
Contribute to solutions	11

* **Source:** https://impactfrontiers.org/norms/abc-of-enterprise-impact/

SEIF II Investment Timeline

2015

OCTOBER
Launch of the fund

Mental Health and Employment Partnership
£400,000

Be Caring formally known as Care and Share Associates (CASA)
£820,000

NOVEMBER
London Early Years Foundation
£250,000

East Lancashire Moneyline
£2,050,000

DECEMBER
HCT Group
£1,300,000

2016

APRIL
Street UK
£500,000

2017

MARCH
Cornerstone
£500,000

OCTOBER
Street UK
£350,000

Big Creative Education
£600,000

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

NOVEMBER
Fair For You
£1,000,000

Village Underground
£675,000

2018

MARCH
Five Bridges Changing Lives
£32,813

JUNE
HCT Group
£1,341,670

JULY
Five Lamps Trading
£1,000,000

DECEMBER
Smile Together Dental
£1,000,000

2019

AUGUST
St Helena Hospice
£250,000

2020

SEPTEMBER
Five Lamps Trading
£250,000

Homes for Good
£3,010,037

2021

MARCH
Homes for Good
£500,000

AUGUST
Sustainable Workspaces
£3,400,000

DECEMBER
Village Underground
£3,250,000

2022

MAY
HCT Group
£118,260

2025/26 Headline Impact

SEIF II continues to deliver meaningful impact, with over

22,000

people reached in the last year alone.

- Across the portfolio, organisations are providing essential services, expanding access to opportunity, and supporting those facing the greatest barriers.

To date, **16 loan investments** have reached their full term, with St Helena Hospice and Five Lamps reaching the end of their investment terms in the fiscal period 2025/26.

Total number of active investments at the start of the FY	7 investments across 5 organisations	Some organisations have had multiple investments from SEIF II including Five Lamps and Homes For Good
Total £ value of current invested capital	£11.3 million	Committed capital net of repaid investment, as at March 2026
Total reach in 2025/26	22,000	Rounded to the nearest 1,000

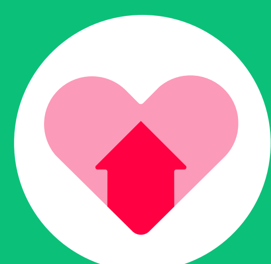
2025/26 Headline Impact figures

Increasing access and quality of health & social care services	Enabling housing & education opportunities for underserved groups
617 patients within fishing communities and veteran populations across Cornwall were reached by Smile Together, a significant achievement given these are traditionally excluded and seldom-heard groups.	**89%** of Homes for Good renters are social tenants, enabling access to quality, affordable housing to those most in need.
£5,351,232 gross income raised for hospice partners and wider charity sector through St Helena lotteries.	**85** young people from disadvantaged backgrounds and low-income communities completed youth music programmes through Village Underground.

Spotlighting key social outcome areas supported through SEIF II

SEIF II has delivered impact across multiple sectors, geographies and impact service user groups. This breadth and depth is illustrated throughout the report, including case studies showing how targeted social investment drives meaningful, lasting change and addresses systemic gaps in provision.


EDUCATION, EMPLOYMENT & TRAINING


HEALTH & SOCIAL CARE


FINANCIAL INCLUSION


HOUSING & HOMELESSNESS


COMMUNITY & INFRASTRUCTURE

The Fund was established with a mandate to invest across six outcome areas. We have combined Employment & Training and Education & Learning to reflect their overlapping user groups and outcomes.

Many SEIF II investments delivered impact across multiple areas. For example, Hackney Community Transport (HCT) provided accessible community transport while also creating pathways into employment.

Education, Employment and Training

Education, skills and access to quality work are key determinants of long-term life outcomes, shaping income security, opportunity and overall wellbeing. Nevertheless, structural inequalities mean opportunity is not evenly distributed. Children from low-income households, those with Special Educational Needs, and some ethnic minority groups have higher prop.

These inequalities carry through into the labour market. Since the launch of SEIF II, youth unemployment has remained persistently high, reaching around 12% in the mid-2010s and rising to over 16% in recent years. Crucially, employment alone does not guarantee financial security, with many remaining in poverty due to low pay, insecure work and limited progression.

High-quality education, particularly in the early years, is critical. Targeted support at later stages can also significantly improve outcomes for those facing barriers such as mental illness, long-term unemployment or disengagement from education.

SEIF II's approach
SEIF II invested in social enterprises creating pathways from education and learning into sustained, meaningful employment. This included organisations working across the life course, from early years education through to vocational training and supported employment, with a particular focus on children, young people and adults from low-income and disadvantaged backgrounds.

Illustrative investees
SEIF II investments in this outcome area included:

- **London Early Years Foundation,** expanding access to high-quality early years education.
- **Mental Health & Employment Partnership (MHEP),** supporting people with mental illness into sustainable, meaningful work.
- **Big Creative Education and Village Underground,** providing creative education, training and progression routes for young people from deprived or underserved areas.

£8.7
million invested

10,000
children and young people supported through early years education, creative learning and vocational pathways

4,000+
children accessing nursery education, with over 40% benefitting from free or subsidised places

3,500+
people facing barriers to work (including severe mental illness and NEET status) engaged in employment or training support

1,500+
job starts, with over 700 people sustaining their jobs, tracked at six weeks and six months

800+
qualifications, accreditations or progression outcomes achieved

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Education, Employment and Training

MENTAL HEALTH & EMPLOYMENT PARTNERSHIP

CASE STUDY

Mental Health and Employment Partnership (MHEP)

Investee
Mental Health and Employment Partnership (MHEP)

Legal structure
Special Purpose Vehicle

SEIF II investment
£400,000, Social Impact Bond, (Oct 2015, repaid March 2025)

Outcome area
Employment, mental health and social care

Target service users
People with severe mental illness, later expanded to include those with addiction and learning disabilities

The social challenge

Employment rates for people experiencing severe mental illness remain persistently low, yet there is strong evidence linking work to improved recovery, wellbeing and long-term social inclusion. While many people accessing secondary mental health services want to work, only a small proportion are employed.

Structural barriers, stigma and fragmented services mean this group is often excluded from both the labour market and traditional employment support. Unemployment in turn reinforces poorer mental health outcomes and life expectancy, creating a cycle of disadvantage.

Addressing this gap requires integrated approaches that treat work as part of recovery, not as a post-treatment outcome.

MHEP's delivery model

MHEP was the UK's first Social Impact Bond designed to support people with severe mental health conditions into sustained employment as part of their treatment. The programme operates under payment-by-results, co-commissioned by central government and delivered across multiple local authorities.

At its core is Individual Placement and Support (IPS), a proven model that:

- embeds employment specialists within clinical mental health teams
- prioritises rapid job search and access to paid work
- provides ongoing in-work support
- avoids lengthy pre-employment training

SEIF II's investment enabled the programme to mobilise and scale, supporting outcomes linked to engagement, job entry and sustainment. MHEP has since expanded through additional outcomes-based contracts via Big Issue Invest's (BII) Outcomes Investment Fund.

Impact and quality of outcomes

MHEP combines specialist mental health support with employment pathways for those furthest from the labour market. At the end of the programme, the SPV has:

- supported 4,000 people
- led to 1,500 job start
- over 700 sustained employment outcomes

MHEP has demonstrated that people with severe mental illness can and do succeed in employment when given the right support.
Delivery has continued across multiple contracts and geographies, including through the disruption of Covid-19, reflecting both the strength of the IPS model and effective partnership between employment specialists, clinical teams and commissioners.

Impact innovation

MHEP demonstrates how outcomes-based financing and integrated service models can unlock better results for groups traditionally excluded from the labour market. By aligning funding to sustained employment outcomes and embedding support within clinical pathways, the programme delivers measurable social impact while generating evidence that employment should be a core component of mental health care.

Systemic Impact: Scaling Outcomes-Based Commissioning

SEIF II's investment in Social Impact Bonds (SIBs), including MHEP, has delivered impact beyond these individual programmes, helping to shape the wider adoption of outcomes-based models across the UK.

Scaling proven models:
MHEP has catalysed follow-on SIBs across multiple local authorities and health commissioners, with further scaling supported through the BII Outcomes Investment Fund.

Expanding target groups:
The model has evolved beyond severe mental illness to support people with addiction and learning disabilities, demonstrating its adaptability to wider cohorts with complex needs.

Driving system adoption:
The success of MHEP has contributed to the mainstream rollout of Individual Placement and Support (IPS) across the NHS. The IPS Grow programme has been extended to 2029, supporting over 55,000 people annually, with ambitions to reach 115,000 people each year by 2028/29.

Embedding outcomes-led commissioning
More broadly, the effectiveness of outcomes-based contracts has informed major government initiatives, including the £500 million Better Futures Fund (launched 2025), which aims to support 200,000 vulnerable children and families through social outcomes partnerships.

Health and Social Care

Health and social care services underpin quality of life, yet access and outcomes are shaped by a clear social gradient. People facing disadvantage are more likely to experience poorer health, encounter barriers to care, and receive less consistent or lower-quality services.

These challenges are most acute within the social care system, which has faced sustained pressure from underfunding, workforce constraints and demographic change. An ageing population and rising levels of complex need have increased demand, contributing to instability across the sector and raising concerns about the sustainability of current delivery models.

SEIF II identified health and social care as a critical priority, backing social enterprises able to deliver innovative, cost-effective and person-centred services. The Fund focused on improving access, quality and sustainability of care, particularly for older and disabled people, by investing in organisations that improve health outcomes, reduce isolation and support independent living.

Through these investments, SEIF II has helped address gaps in provision, delivering high-quality care while easing pressure on overstretched public services.

£3.8m
invested

20,000+
people supported annually
across social care, dental and hospice services

85–100%
reported patient satisfaction
consistently high-quality care across services

100,000+
emergency and special-care dental appointments delivered, reaching patients without access to routine care

Lower staff turnover than sector averages
supporting continuity of care and better outcomes

Illustrative investees

SEIF II investments in this outcome area included:

- **Be Caring (originally Care and Share Associates)**
  delivering person-centred home care that supports independence and improves job quality within the social care workforce.
- **Cornerstone Community Care**
  providing specialist supported living and community-based care for people with learning disabilities and autism.
- **Smile Together Dental**
  expanding access to NHS emergency, special care and community dentistry for underserved rural and coastal populations.
- **St Helena Hospice**
  delivering community-based end-of-life and bereavement care that improves wellbeing and reduces pressure on acute health services routes for young people from deprived or underserved areas.

Health and Social Care

CASE STUDY

Smile Together Dental

Investee
Smile Together Dental

Legal structure
Community Interest Company (employee-owned)

SEIF II investment
£1 million, Fixed-rate loan (Dec 2018, active at March 2026)

Outcome area
Health and social care

Target service users
Underserved communities in south-west England, including rural and coastal communities, children, disabled people and people experiencing homelessness

The social challenge

Access to NHS dental care has declined significantly across the UK, with shortages most acute in rural, coastal and deprived areas. In the South West, where Smile Together operates, many people lack access to a regular dentist and rely on emergency care, exacerbating existing health inequalities, particularly for children, disabled people and those with complex needs.

Smile Together Dental's delivery model

Smile Together is one of the South West's largest NHS referral and emergency dental providers, delivering urgent, special care and community dentistry across Cornwall and Devon.

Its model combines:

- Blended revenue: commercial services cross-subsidise high-impact NHS and community provision
- Integrated partnerships: working with NHS Cornwall and Isles of Scilly ICB
- Targeted delivery: outreach clinics and referral pathways for underserved groups

Services include emergency care for those without dentists and specialist provision for children, people with disabilities and individuals experiencing homelessness.

Impact and quality of outcomes

Smile Together delivers both scale and high-quality care. To date, the organisation has:

- delivered emergency dental care to around 123,000 patients each year
- provided specialist and special care dentistry to nearly 20,000 patients each year
- maintained excellent patient experience, with 97–100% recommendation rates

Access has been extended to underserved communities through a flexible delivery model combining fixed-site clinics, mobile and pop-up services, and targeted outreach that brings care directly to those facing the greatest barriers.

Alongside treatment, Smile Together prioritises prevention and early intervention through programmes such as Smarter Smiles, delivering oral health education, fluoride varnishing and supervised toothbrushing in partnership with schools, family hubs, charities and community partners.

This integrated approach improves long-term oral health and helps reduce pressure on acute services.

Building a resilient, impact-led organisation

Smile Together reinvests all surplus into service delivery, workforce and community benefit, totalling over £6 million since 2016.

Its employee-owned model supports:

- strong staff engagement (100% employee participation)
- high retention and continuity of care
- consistent clinical quality and governance

The organisation has remained resilient despite sector-wide funding and workforce pressures and has expanded beyond the South West in recent years, demonstrating a scalable model.

Smile Together shows how a social enterprise model, combining cross-subsidised pricing, employee ownership, and preventative dental services, can deliver high-quality, accessible care at scale, while strengthening the resilience of essential health services.

Lower staff turnover. Better quality of care. Stronger outcomes.

High staff turnover is a critical challenge in health and social care, which undermines continuity of care, increases costs and impacts service quality.

SEIF II-backed social enterprises, including employee-owned models (such as Smile Together and Be Caring), have consistently outperformed sector averages on staff retention, reinvesting profits into their staff and service quality. This is supported by strong employment practices, including investment in learning and development, fair pay, inclusive workplace policies and reduced reliance on insecure contracts.

Better job quality and stronger workforce practices drive lower turnover, more engaged staff, which in turn supports more consistent, higher-quality care and improved outcomes for service users.

Financial Inclusion

Financial inclusion underpins economic security and resilience. It means having access to essential financial services to manage day-to-day finances, handle unexpected costs and plan for major expenses. Yet many people in the UK remain excluded from mainstream services: around one million adults lack a bank account, restricting access to affordable credit, savings and insurance.

Financial exclusion disproportionately affects people with low and unstable incomes and is a key driver of persistent poverty and inequality. One manifestation is the poverty premium, whereby low-income households pay an average of £478-£490 more per year, and in some cases over £1,000, for everyday goods and services due to higher costs, limited choice and reliance on expensive alternatives. These avoidable costs fall hardest on those least able to afford them.

Access to fair and appropriate financial services supports stability and opportunity. When individuals and households can save, borrow responsibly, manage risk and access advice, they are better equipped to absorb financial shocks, invest in essentials such as education or health, and plan ahead. Financial inclusion also supports local economic resilience by enabling small businesses and social enterprises to grow.

SEIF II identified financial inclusion as a high priority outcome and invested in organisations expanding access to responsible finance, money advice, savings and financial education for people excluded from mainstream provision, supporting greater financial capability, resilience and long-term security.

£100 million+
in responsible lending
expanding access to fair and affordable credit for financially excluded households

150,000+
affordable loans issued
supporting households to manage essential costs and unexpected expenses

65 – 80%*
of customers being women, addressing a structurally underserved market

* Range reflects the data collected from the different providers in this outcome area over the last 10 years.

Illustrative investees

SEIF II investments in this outcome area included:

- **East Lancashire Moneyline**
  A Community Development Finance Institution (CDFI) providing affordable loans and budgeting support to low-income households excluded from mainstream credit primarily across the North West and Wales.
- **Street UK**
  A national CDFI network enabling community lenders to scale responsible lending to individuals and small businesses in underserved communities.
- **Fair for You Finance**
  A social lender providing affordable credit for essential household goods and consumables, offering a fair alternative to high-cost credit and rent-to-own providers.
- **Five Lamps**
  A social enterprise delivering affordable personal loans, money advice and business finance to individuals and entrepreneurs experiencing financial exclusion.

£7.4m
invested

£20 million+
in estimated customer savings
reducing the cost of borrowing and the poverty premium

70 – 95%*
of customers reporting avoidance of high-cost lenders following support

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Financial Inclusion

CASE STUDY

Fair for You Finance

Investee
Fair for You Finance

Legal structure
Community Interest Company

SEIF II investment
£1 million, Fixed-rate loan
(Nov 2017, repaid in Jun 2024)

Outcome area
Financial inclusion

Target service users
Low-income households and individuals excluded from mainstream credit

The social challenge

Households on low and insecure incomes are often excluded from mainstream credit markets, forcing reliance on high-cost lenders or going without essential goods. When household items such as cookers, fridges or washing machines fail, families face a stark choice between unaffordable upfront costs or reliance on high-cost credit and rent-to-own providers, locking them into cycles of debt and driving the poverty premium.

FFY delivery model

Fair for You Finance (FFY) is a high-impact, social enterprise providing affordable, transparent loans for essential household goods, repayable weekly or monthly at a fraction of rent-to-own alternatives. Its model combines rigorous affordability checks, fair pricing and flexible repayment structures, demonstrating that responsible lending can be both high-impact and financially sustainable.

SEIF II investment enabled FFY to scale its loan book and strengthen core infrastructure, including automated underwriting and improved customer experience. This supported growth in lending while maintaining strong social outcomes and progressing towards long-term sustainability.

FFY works with housing associations, local authorities and employers to reach customers at the point of need, and pairs lending with signposting to debt advice and money guidance. More recently, it expanded into charge-card products for essential supermarket spending during school holidays.

Impact and quality of outcomes

FFY improves both financial wellbeing and quality of life by helping households avoid reliance on predatory lenders, and enabling access to essential goods, supporting household stability, health and dignity.

Over the investment period, FFY has:

- supported tens of thousands of financially excluded customers
- delivered over £70 million in responsible lending at significantly lower cost than mainstream rent-to-own alternatives
- generated £10-15 million in estimated customer savings (typically £150-£500 per purchase)
- maintained consistently high customer satisfaction, with a 9.7/10 Trustpilot rating based on several thousand customer reviews

Typically saving individuals
£150-£500
per purchase, supporting access to essential household goods

Its active loan book consistently supports around 20,000 a year and growing steadily, reflecting sustained demand for affordable credit.

A demonstrable example of ethical and sustainable consumer lending

Fair for You Finance demonstrates that inclusive consumer lending can be both socially transformative and financially viable. By directly reducing the poverty premium and offering a credible alternative to exploitative credit, FFY improves household stability, dignity and resilience, showing how patient capital can drive systemic change in financial inclusion.

Financial Inclusion: High Impact, Structural Funding Challenge

Community Development Finance Institutions (CDFIs) play a critical role in expanding access to fair and affordable credit, helping individuals avoid high-cost lenders and supporting pathways out of poverty. As part of the broader responsible finance movement, they have enabled financial access for millions of underserved customers.

SEIF II's CDFI investments have demonstrated both the strong demand and significant impact potential, consistently reaching individuals underserved by mainstream financial services. However, they also highlight a fundamental constraint:

- Serving the hardest-to-reach customers is inherently expensive and high-risk, making it difficult to deliver sustainably using repayable capital alone.
- CDFIs often face a trade-off between staying true to their mission or adapting towards more commercially viable, but less underserved, customer segments.
- Historically, subsidies and grant funding from local authorities and other public sources played a key role in supporting these models, but this funding reduced significantly and was largely eliminated in the run up to SEIF II being launched.
- Some models have adapted successfully. For example, Fair for You Finance supplements interest income with commercial partnerships, creating an additional revenue stream that supports sustainability while maintaining strong social impact.

Unlocking the next phase of inclusive finance

The impact potential of CDFIs is clear, reaching the most excluded customers at scale requires new approaches to capital. The total impact outcomes BII attributes to SEIF II over the life of the fund in terms of loans funded of over £100 million and cost of debt savings alone of at least £20 million, are of outstanding value to customers and the state over the period of the Fund's existence.

In more mature markets such as the US, the CDFI sector has scaled significantly, supported by dedicated federal funding (e.g. the US Treasury's CDFI Fund) which provides grants and catalytic capital alongside investment, helping to absorb risk and crowd in private finance.

There is a clear opportunity for UK investors to take a similar role, developing innovative blended finance products, including first-loss and grant-backed structures, that enable CDFIs to sustainably serve higher-risk, underserved customers.

Future approaches require intentional design of capital that prioritises impact alongside return to unlock the full potential of the sector.

Housing and Homelessness

Homelessness is a complex, structural challenge, shaped by both personal circumstances and systemic pressures. Individual crises, such as job loss, relationship breakdown or declining mental health may be triggers, while wider factors, including the chronic undersupply of affordable housing and rising living costs, continue to drive housing insecurity across the UK.

Rough sleeping is the most visible form, but only a small part of the issue. Many people experience hidden homelessness, including living in temporary accommodation, sofa surfing or staying in unsuitable, insecure housing. A lack of safe, stable housing is closely linked to wider disadvantage, including poor health, social isolation and long-term unemployment.

SEIF II identified homelessness as a priority outcome requiring both immediate support and long-term solutions. The Fund invested in organisations delivering secure, affordable homes alongside tailored, wrap-around support to help people move beyond crisis.

> For many tenants, access to stable housing is the foundation for improving health, employment and overall wellbeing.

Illustrative investees
SEIF II investments in this outcome area included:

- **Homes for Good**
  A social private landlord and lettings agency that acquires and refurbishes properties and lets them at affordable rents to low-income households, supporting long-term tenancy sustainment.
- **Five Bridges Changing Lives**
  A homelessness and housing provider delivering supported accommodation and tailored services, with a focus on recovery, stability and pathways to independent living.

£3.6 million invested

At least **85%** of households are social tenants

Over 70% of rents set at or below Local Housing Allowance levels

400+ **people housed** providing access to secure, long-term homes

Sustained tenancies achieved at 6- and 18- month milestones for highly vulnerable tenants

Housing and Homelessness

CASE STUDY

Homes for Good

Investee
Homes for Good

Legal structure
Community Interest Company (CIC)

SEIF II investment
£1 million equity and £2.5 million fixed rate loan, (Sep 2020, active at 31 Mar 2026)

Outcome area
Tackling homelessness

Target service users
People on low incomes facing homelessness or housing insecurity

The social challenge

A chronic lack of social housing, alongside rising private rents have made secure, affordable housing increasingly out of reach for many low-income households. These pressures have deepened and prolonged homelessness, with the cost-of-living crisis further exacerbating the risk of debt, eviction and housing instability for already stretched households.

Homes for Good delivery model

Homes for Good (HFG) is an award-winning, social landlord operating within the private rented sector. While affordable housing is often available within the sector, it is frequently of poor quality, contributing to poor health, wellbeing, and wider life outcomes for tenants. HFG addresses this challenge by acquiring neglected properties, refurbishing them to a high standard, and letting them at genuinely affordable rents to people often excluded from mainstream housing. Through a values-led approach that combines property ownership with tailored tenant support, HFG provides stable, high-quality homes and helps tenants sustain successful long-term tenancies. SEIF II investment, combining equity and debt, enabled HFG to expand its portfolio and increase the supply of affordable homes across Glasgow and Ayrshire, while maintaining a strong focus on affordability and tenant stability.

Impact and quality of outcomes

Homes for Good has demonstrated that a socially driven private rented sector model can deliver both meaningful impact and financial sustainability. Outcomes achieved include:

- grown a portfolio of c.210 properties, housing over 260 tenants
- maintained a strong focus on low-income households, with 85–95% of tenancies at affordable or social rent levels
- ensured over 70% of rents are at or below Local Housing Allowance, with remaining rents capped close to LHA thresholds
- provided stable housing for individuals and families facing homelessness, insecure work or low incomes

Using social investment to address housing insecurity

Homes for Good shows how social investment can increase the supply of affordable, high-quality housing within the private rented sector. By combining capital, mission-locked ownership and a focus on tenancy sustainment, the organisation addresses a critical gap in housing provision and supports people to move out of homelessness and into secure, long-term homes.

Campaigning for systemic change: The Renter's Rights Act

Alongside direct service delivery, systemic change in the private rented sector is critical to preventing homelessness. The recent passing of the Renters' Rights Act, following extensive campaigning including by the Big Issue Group, represents a significant step forward in strengthening tenant protections.

By improving security of tenure and limiting no-fault evictions, the legislation has the potential to shift the system towards earlier intervention and prevention. Over time, reforms of this kind should support more stable tenancies, reduce pressure on homelessness services and complement the work of organisations such as Homes for Good.

While the Act applies primarily to England, reflecting the devolved nature of housing policy, elements such as measures to reduce discrimination have wider relevance. Parallel protections exist in devolved nations, including Scotland's ban on no-fault evictions.

Community and Infrastructure

Strong, connected communities are fundamental to social wellbeing, economic participation and inclusion. Yet structural barriers, including lack of affordable or poor transport links, physical isolation, disability, and limited access to cultural or employment opportunities, continue to exclude many people from everyday life.

Access to transport is a critical enabler of participation, but mainstream provision does not meet everyone's needs. Low-income households, older people, disabled people and those in rural or poorly connected areas are disproportionately affected. Community-led and sustainable transport models play a vital role in addressing these gaps, enabling people to remain independent and connected while supporting more efficient and environmentally responsible services.

Over time, this outcome area has broadened to reflect wider opportunities to strengthen local infrastructure and inclusion.

Alongside transport, SEIF II has supported community-based enterprises such as affordable workspaces, facilities and local hubs that provide access to space, skills, networks and employment opportunities. These models help build social and economic capacity within communities, supporting enterprise growth and more opportunities.

Illustrative investees

SEIF II investments in this outcome area included:

- **HCT Group**
  A community-owned transport provider delivering accessible bus and specialist services for communities underserved by mainstream provision.
- **Sustainable Workspaces**
  A provider of affordable workspaces and business support for charities, social enterprises and mission-led organisations, strengthening local economic and community infrastructure.

£6.2
million invested

1 million+
journeys enabled
connecting people to work, healthcare, and essential services

Over 300
people trained, qualified or supported into work

700
affordable desk space created and leased to small business tackling pressing environmental and social issues

Significant community subsidy and 100s of hours of pro-bono support
provided to strengthen capacity across the social enterprise ecosystem

Community and Infrastructure

CASE STUDY

Sustainable Workspaces

Investee
Sustainable Workspaces, part of the Sustainable Ventures Group

Legal structure
Community Interest Company (CIC)

SEIF II investment
£3.4 million Fixed rate loan
(Aug 2021, active at Mar 2026)

Outcome area
Community and sustainable transport

Target service users
Climate-focused startups and scaleups, social enterprises, and mission-driven organisations

The social and environmental challenge

Access to affordable, flexible workspace is a critical barrier for early-stage social enterprises and climate-focused startups, particularly in high-cost cities. Rising commercial rents and inflexible leases make it difficult for mission-driven organisations to grow, collaborate and attract talent, constraining innovation at a time when solutions to climate change and resource scarcity are urgently needed.

At the same time, underused commercial space presents an opportunity to repurpose buildings in more sustainable and socially productive ways.

SW's delivery model

Sustainable Workspaces (SW) provides affordable, flexible co-working and workshop space tailored to impact-led and climate-focused organisations. As part of the Sustainable Ventures Group, it sits within a wider ecosystem offering workspace, investment and venture support.

SEIF II's investment enabled the sustainable refurbishment and development of a 700-desk workspace at County Hall, Waterloo, expanding SW's capacity from 17,000 to 40,000 sq ft. This transformed a vacant floor of a Grade II listed building into a flagship hub for climate innovation.

Beyond physical workspace, SW fosters collaboration through curated community design, events and shared services, enabling members to connect, innovate and scale.

Impact and quality of outcomes

The County Hall site has become a major hub for climate innovation, hosting over 160 climate startups and scaleups, corresponding to c.1,700 active members. It supports a strong programme of community activity, engaging thousands of participants each year, while member organisations have collectively raised significant growth funding, contributing to a wider ecosystem that has raised over £1 billion.

SEIF II's investment goes beyond capital. By embedding and monitoring social KPIs, it ensures this community infrastructure delivers equitable access and actively reaches organisations and groups that might otherwise be excluded.

This is reflected in SW's continued focus on access and affordability, including:

- pricing desks below comparable premium workspace providers, with subsidised access for charities, social enterprises and community organisations
- delivering over 200 hours of pro bono and in-kind support each year to non-corporate members
- strong member satisfaction, with 76% reporting added value to their organisation

Across the wider Sustainable Ventures ecosystem, around 7,000 green jobs have been created or sustained, reflecting the broader economic impact of this infrastructure.

Why it matters

Sustainable Workspaces demonstrates how social investment can strengthen community and enterprise infrastructure while delivering environmental and social impact. By repurposing underused assets into inclusive, affordable hubs using innovative low-carbon construction techniques, SW brings its mission to life. Crucially, it shows how sustainable design and equitable access can go hand in hand at scale, broadening participation in high-value networks that drive collaboration, innovation and opportunity.

Replicable, environmentally sensitive, and scalable models

Sustainable Workspaces' model also demonstrates strong potential for replication and scale. Building on its success in London, the model has already expanded into Manchester, with ambitions to develop further sites, including Glasgow, as part of a wider strategy to grow climate innovation hubs across the UK.

These developments focus on the low-carbon retrofit of underused or historic buildings, bringing them back into productive use while minimising environmental impact. By combining affordable workspace with a curated community of mission-driven organisations, the model creates clusters of economic activity, job creation and social value, contributing to local regeneration while supporting progress towards Net Zero.

Understanding impact across different financing instruments

The Social Enterprise Investment Fund II deployed a range of financial instruments to reflect the varying stages and capital needs of the organisations it supported. Each instrument has distinct impact considerations, particularly in how and when impact is generated and sustained over time, as summarised on the right.

Capital → Organisation → Impact over time

	Debt	Equity	Social Outcomes Contracts
	Loans to social purpose organisations with fixed repayments and interest. Organisations retain ownership and control.	**Long-term, risk-bearing capital, with returns linked to organisational performance rather than fixed repayments.**	**Outcomes-based financing arrangements where investment funds service delivery upfront and repayments depend on achieving agreed, measurable social outcomes.**
Amount Invested	£18,914,967	£4,255,000	£432,813
Investor contribution: support provided by BII	→ Impact is strongest when use of capital is first realised → Capital enables growth, stability, or reaching new impact users → Drives additionality, growth or resilience that would likely not occur, or would occur more slowly, without social investment → Attribution of impact reduces as loans are repaid, but long-term benefits may continue through stronger organisations	→ Impact is tied to long-term growth and organisational success → It is less time-bound than debt and can deepen over time as organisations scale → Strong focus on mission alignment and governance as organisations expand	→ Impact is defined explicitly through measurable outcomes e.g. sustained employment, housing stability → Links funding directly to results, not activities → Shifts financial risk away from providers and commissioners, enabling innovation for complex social issues
Impact delivery considerations	→ Ongoing relationship management → Flexible repayment structuring → Guidance on governance, financial management, and impact measurement → Signposting to grants or specialist advice	→ Active involvement (e.g. board roles) → Strategic and leadership support → Help to scale impact and secure further investment	→ Support more hands-on and technical than for other instruments → Co-design of outcomes, data collection and performance management → Stakeholder management and ongoing learning and adaptation, throughout delivery
Driving outcomes for	Organisations with assets, predictable income and viable models needing capital to grow, stabilise, or manage cashflow.	Organisations looking to scale, reinvest surpluses for impact, and need patient mission-aligned capital.	Programmes with committed commissioners, clear evidence of what works, and providers able to manage performance against outcomes.

Impact delivery over the Fund lifecycle

Impact is not static: it grows, peaks, and endures

Impact evolves over the lifecycle of the Fund, shaped by when capital is deployed, how organisations grow, and when investments exit. It is also influenced by the mix of financial instruments used, as different forms of capital generate and sustain impact in different ways.

01 Building impact over time

In the early years, impact builds progressively as capital is deployed and portfolio organisations expand their services. As more investments become operational and reach scale, the Fund's overall impact increases.

Impact typically peaks when the Fund is fully deployed, reflecting the highest number of active investments delivering outcomes at scale.

02 Different capital, different impact

The type of instrument shapes how and when impact is delivered:

- → Debt tends to generate earlier, more immediate impact, particularly where it enables service expansion or stabilisation
- → Equity often builds impact more gradually, but can sustain and deepen outcomes over a longer period as organisations scale
- → Outcomes-based contracts link impact directly to measurable results, with delivery aligned to agreed outcomes.

03 A natural lifecycle

In later years, as investments begin to exit and capital is returned, aggregate impact may reduce. This is a natural feature of a closed-ended fund structure, rather than a decline in performance. Across SEIF II, impact delivery has remained strong throughout, demonstrating the durability and effectiveness of the underlying portfolio.

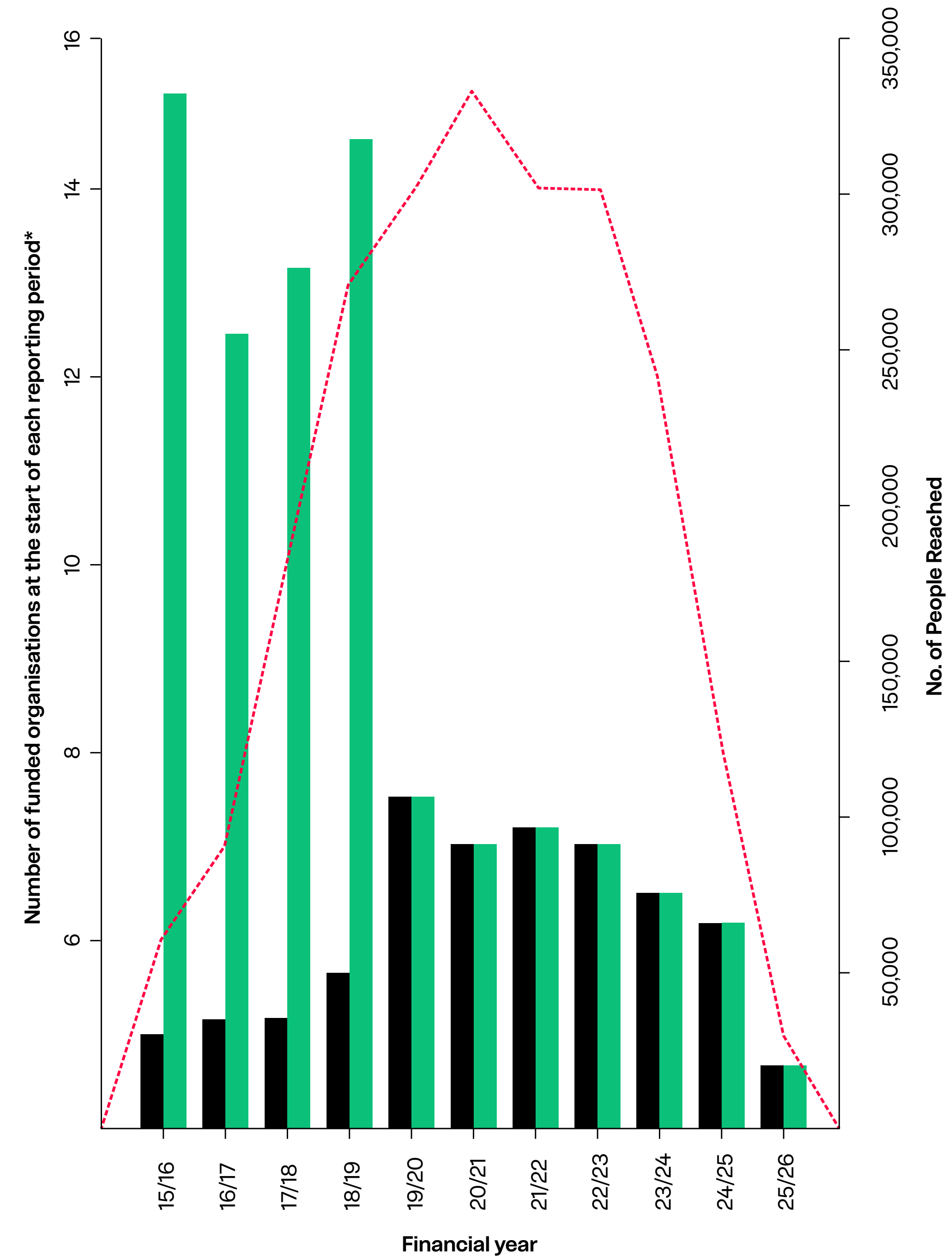
04 Balancing breadth and depth of impact

Impact is not only about how many people are reached, but also the depth of change achieved. SEIF II has intentionally balanced both:

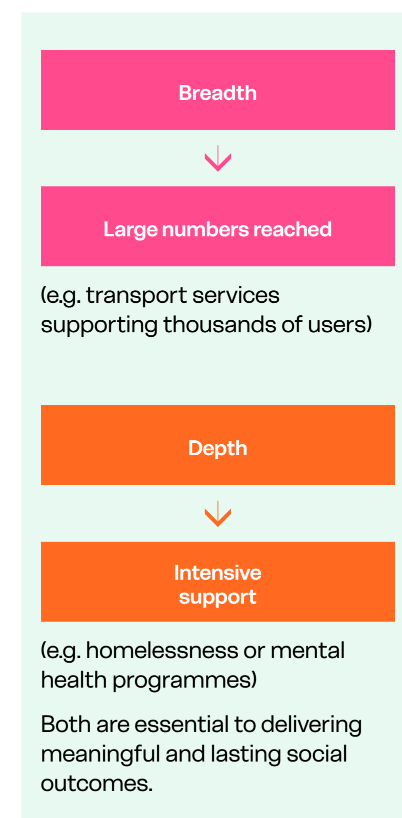
- → **Breadth of impact**
  reaching large numbers of people through scaled service delivery models
  (e.g. HCT supporting thousands of individuals through accessible transport services)
- → **Depth of impact**
  delivering intensive, long-term support addressing complex needs
  (e.g. Five Bridges Changing Lives providing wrap-around support to people experiencing homelessness)

While depth-focused interventions may reach fewer people, they often deliver life-changing and enduring outcomes.

Number of people reached annually by active portfolio organisations, including and excluding high-volume transport services



Breadth vs Depth of Impact



Note the high number of people reached immediately following Fund launch in the financial year15/16, are largely due to the high number of group journeys and hence customers served by the HCT group. They are also responsible for over 100,000 customers in the first few years of the Fund. Figures influenced by the types of organisation in the portfolio, how they define and report customer numbers, and changes to how we calculate impact customers over the years.

*Includes multiple investments into one organisation

Supporting and protecting impact delivery: a More than Money approach

SEIF II was designed to provide capital to organisations operating in underserved markets and addressing some of society's most complex challenges, often those with strong delivery models and clear impact, but limited access to mainstream finance due to their size, track record or operating context.

However, delivering impact at scale requires more than capital alone. It requires active support across governance, strategy, operations and financial management to help organisations navigate complexity and sustain delivery. SEIF II has applied Big Issue Invest's More than Money approach, combining investment with hands-on strategic support to strengthen resilience and protect impact over time. This has included significant engagement with investees, including Board participation across several portfolio organisations.

Responding to external shocks

Over the life of the Fund, investees have navigated a series of major disruptions:

Covid-19 pandemic

The pandemic had an immediate and profound impact on service delivery models across the portfolio, particularly for organisations reliant on in-person engagement.

For example, MHEP's Individual Placement and Support (IPS) model, based on close interaction between employment specialists and service users, was significantly disrupted. SEIF II supported delivery adaptation, including remote engagement and temporary adjustments to outcome triggers, enabling services to continue until full delivery resumed.

Similarly, Village Underground was forced to close during lockdown periods, halting both trading and impact delivery. Support focused on stabilisation and recovery, ensuring the organisation could reopen and resume its work supporting young people into creative careers once restrictions were lifted.

Rising interest rates and inflationary pressures

Macroeconomic pressures have increased costs across the portfolio, particularly for asset-based models and organisations exposed to interest-rate or inflation-linked costs.

For example, Homes for Good has faced increased mortgage costs as interest rates have risen, while Local Housing Allowance (LHA) levels have not consistently kept pace with market increases. This has created tension between maintaining affordability for tenants and financial sustainability. SEIF II support has focused on helping the organisation adapt, balancing rent setting, portfolio growth and capital structure to maintain its social mission and viability.

Uncertainty in public sector funding

Many portfolio organisations operate in sectors closely linked to public funding, where financial sustainability is influenced by commissioning decisions and policy changes.

For example, St Helena Hospice has faced rising employment costs, including recent increases in NHS nurse pay rates and higher employer National Insurance contributions, placing significant pressure on operating budgets. In 2025, this contributed to the difficult decision to reduce capacity by closing 10 of its 18 hospice beds. While fundraising income has grown, it has not fully offset cost increases, reportedly exceeding £1 million in the past year, requiring challenging decisions about service provision.

Brexit and the loss of EU funding

The UK's exit from the European Union has created structural funding gaps, particularly in place-based and community-focused sectors. Many organisations previously relied on EU programmes supporting employment, skills and regional development in geographic areas where SEIF II's portfolio operates. The reduction or replacement of these funding streams has introduced uncertainty and, in some cases, reduced grant availability, placing additional pressure on organisations operating in already constrained markets.

Cost-of-living crisis

The cost-of-living crisis has affected both organisations and the communities they serve, increasing demand for services while simultaneously raising operating costs.

Across the portfolio, investees have experienced higher demand from users facing financial hardship, alongside pressures from inflation, staffing costs and supply chains. The Fund's role has been to support organisations in managing this dual pressure, ensuring continued delivery to those most in need while maintaining financial stability.

A resilient portfolio through active partnership

Across all of these challenges, SEIF II's More than Money approach has been critical in sustaining impact delivery. By combining flexible capital with strategic and operational support, the Fund has enabled organisations to adapt their models, protect delivery and continue generating positive outcomes in changing conditions.

This active partnership has underpinned the resilience of the portfolio. Even in cases where financial pressures ultimately constrained business viability, organisations continued to deliver impact until the end of their operations, as seen in parts of the CDFI portfolio, ensuring that social outcomes were sustained through periods of transition and closure.

Key performance Trends over the last decade: Social Enterprises v traditional SMEs

Social enterprises have shown an ability to grow, adapt and endure in challenging conditions, combining commercial performance with sustained social impact.

→ **Sustained demand:**
Owing to many operating in essential, service-based sectors (e.g. health, education, social care).

→ **Stronger growth**
Social enterprises consistently outperformed traditional SMEs in turnover growth over the past decade (e.g. 47% vs 34% growing in 2017).

→ **Mission-led reinvestment**
While often growing faster, social enterprises tend to report lower profitability, as typically c.90% of profits are reinvested into their social mission.

→ **Barriers to Finance**
Despite their success, social enterprises are more likely to report facing barriers to obtaining finance (25%) compared to commercial SMEs (16%).

Sources: The State of Social Enterprise Survey 2021. Social Enterprise Knowledge Centre: Insight May 2024, and Social Enterprise: Market Trends.

Looking ahead

As SEIF II enters its final phase, the immediate focus is on the successful exit of the remaining portfolio. This is not simply about capital recovery, but about ensuring that investees remain resilient, mission-focused organisations, continuing to deliver impact beyond the life of the Fund.

> The most important legacy of SEIF II is that it has demonstrated, at scale and over a full market cycle, that repayable social investment can tackle poverty and inequality, even through significant external pressures. By strengthening mission-led organisations, rather than simply funding services, the Fund has helped build more durable solutions and a strong foundation for what comes next.

Looking ahead, this approach is being carried forward through:

01 Scaling the model
Big Issue Invest is developing and deploying follow-on funds and investment vehicles, some now live, others in development, designed to reach more organisations, extend geographic coverage and continue addressing the underlying drivers of poverty and inequality.

02 Strengthening impact discipline
SEIF II has demonstrated that rigorous impact management and financial performance can go hand in hand. This commitment to structured impact measurement, alongside capital discipline and repayment, continues to shape future investment approaches.

03 Deepening the More than Money model
Beyond flexible capital, SEIF II has shown the importance of active partnership, providing hands-on strategic, operational and governance support, particularly in periods of disruption such as the Covid-19 pandemic and the cost of living crisis. This approach will remain central, ensuring organisations are supported to adapt, stabilise and sustain impact in changing conditions.

Taken together, this represents an important shift: from proving that social investment can work, to scaling how it works. SEIF II's legacy lies not only in the impact delivered by its portfolio, but in demonstrating that patient, flexible capital, combined with active engagement and stewardship, can strengthen the organisations and infrastructure needed to tackle poverty and inequality at scale.

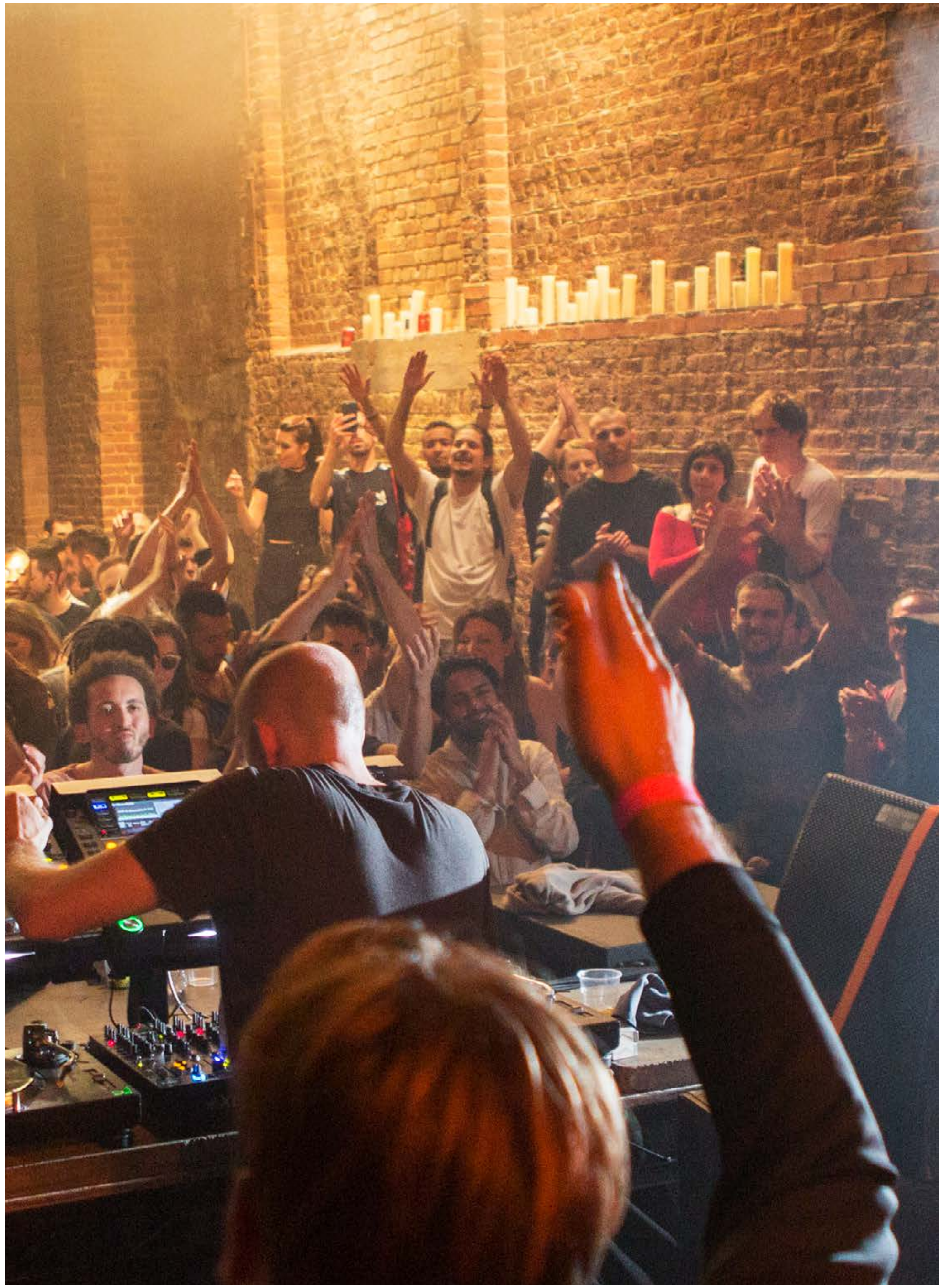
SEIF II Investment Portfolio 2025/26

The investment period of the Fund has now come to an end and no further transactions were made in the last financial year.

To the end of the period, **16 investments** from **11 organisations** have exited the Fund, including **3 investments** in the fiscal period **2025/26.**

Investee	Investment Type	UN SDG	Primary Customer Group	Invested Capital to date
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
East Lancashire Moneyline*	Fixed Rate Loan	1 - No Poverty	Living in poverty and/or financial exclusion	£1,000,000
HCT Group Ltd	Fixed Rate Loan & Rev. Part.	11 - Sustainable cities and communities	Physical disabilities or sensory impairments	£2,641,670
HCT Group Ltd*	Fixed Rate Loan & Rev. Part.	11 - Sustainable cities and communities	Physical disabilities or sensory impairments	£118,260
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	£500,000
Street UK CIC*	Fixed Rate Loan	1 - No Poverty	Living in poverty and/or financial exclusion	£350,000
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
Village Underground	Preference Shares	8 - Decent work and economic growth	Vulnerable young people	£3,250,000
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	£1,000,000
Five Lamps**	Fixed Rate Loan	1 - No Poverty	Living in poverty and/or financial exclusion	£250,000
Smile Together Dental	Fixed Rate Loan	3 - Good health and well-being	Living in poverty and/or financial exclusion	£1,000,000
St Helena Hospice**	Fixed Rate Loan	3 - Good health and well-being	Health condition or life-threatening illness	£250,000
Homes For Good	Ordinary Shares	11 - Sustainable cities and communities	Living in precarious housing or homeless	£1,005,000
Homes For Good	Fixed Rate Loan	11 - Sustainable cities and communities	Living in precarious housing or homeless	£2,010,037
Homes For Good	Fixed Rate Loan	11 - Sustainable cities and communities	Living in precarious housing or homeless	£500,000
Sustainable Workspaces	Fixed Rate Loan	13 - Climate action	Living in poverty and/or financial exclusion	£3,400,000
			Total	**£23,602,780**

*Exited prior to April 2025
** Exited in year ending 31 March 2026



SEIF II Portfolio Annual Outcomes 25/26

Investment	Mission	Target Beneficiaries	Target Outcomes	Target Indicators	Achieved value (2025/26)
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	Suitable employment, education or training and on-going support, where necessary	No. of cohorts per annum accessing the youth music programmes	n/a
				No. of young people per annum completing the youth music programmes	85
				No. of young people per annum achieving a qualification, accreditation or vocational outcome	56
				No. half days of work completed by paid 'youth practitioners'(delivered by at least 2 YPs)	210
			High quality, affordable, and inclusive cultural services available to all	No. of emerging artists performances at EartH	5
				No. of low / free tickets to cultural and arts events provided	608
				Total No. of engagements	1,090
Smile Together Dental	Aims to create healthier happier communities by delivering dentistry with social impact.	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 seen in emergency appointments	12,087
				Number of special care patients seen	1,700
			Increased amount of accessible dental treatment brought to those who need it most	Number of patients reached within fishing communities + veterans reached	617
				Number of new patients registered for routine private care (formerly Brighter Dental)	935
				Improved access to dental care ratio	4.90%
			All Smile Together patients continue to receive high quality dentistry care	Smile Together "Friends and Family" score	99.0%
				"Clinical Training Ratio"	n/a
			Reduce tooth decay through intervention and education	Number of pupils receiving campaign support	n/a
				Number of pupils receiving council funded support	559
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 St Helena patients	Bed Occupancy %	88%
			All St Helena patients continue to receive high quality care	IWGC Rating (out of 5.00)	4.6
			Increased funds raised for hospice partners and wider charity sector through St Helena lotteries	Your Hospice Lottery: Gross Income	£3,483,422
				Your Hospice Lottery: Number of Partners	15
				Make a Smile Lottery: Gross Income	£1,867,810
				Make a Smile Lottery: Number of Partners	22

Investment	Mission	Target Beneficiaries	Target Outcomes	Target Indicators	Achieved value (2025/26)
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	89%
				Demographic breakdown of tenants in HFG properties	As of Dec 2025: 56% unemployed, 54% benefits, 92% prior housing needs, 7% students, 8% earn over Glasgow living wage. 229 adult tenants w/ 40 children
				% tenants in low-income work	29%
				% tenants economically inactive or unemployed	54%
			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	80% no more than 5% above LHA
				Total # housing stock within HFG portfolio	210
			HFG maintains levels of support for tenants with support needs	% of tenants with support needs being supported by HFG	85%
Sustainable Workspaces	Mitigate climate change and resource scarcity.	People living in poverty and/ or financial exclusion	Provision of affordable workspace for environmentally focused organisations	% below the £/fixed desk of a premium, benchmark competitor in immediate area	18%
			Provision of business support to non-corporate members of SW improves their capacity	# hours or monetary value of pro bono support provided to non-corporate member organisations	223 hours
				Degree to which SW training and support has provided value to members	79%
			Provision of affordable workspace for people on low incomes and from diverse demographic backgrounds improving accessibility in the industry	% of active memberships that are subsidised	13% of total active membership value
				% or value of memberships earned from organisations that are: a) asset or mission-locked and/or b) (1) primarily and (2) secondarily aligned with SDGs	a) 36.5% asset or mission-locked b) 100% aligned with SDGs
				% of membership or value of membership revenues earned from organisations that are led by: → Females → BAME individuals → Folks working with disabilities → Folks with lived experience in the issue addressed by the business	44.4% female or non-binary, 20% BAME, 60.8% lived experience

WELCOME
10 YEARS OF IMPACT
EDUCATION, EMPLOYMENT & TRAINING
HEALTH & SOCIAL CARE
FINANCIAL INCLUSION
HOUSING & HOMELESSNESS
COMMUNITY & INFRASTRUCTURE
CREATING IMPACT
LOOKING AHEAD
PORTFOLIO & GOVERNANCE

Acknowledgements

Directors of the General Partner

Nigel Kershaw OBE
Nigel Kershaw joined The Big Issue in 1994, eventually becoming its CEO and now sits as Group Chair. Alongside Big Issue founder Lord John Bird, Nigel launched Big Issue Invest in 2004. Nigel is also the co-founder of The Big Exchange.

Stephen Howard LVO
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's other roles include chair of Thames Reach and trustee of Better Society Capital.

Holger Westphely
Holger Westphely has over 20 years of experience working in the social impact sector, first as a co-founder of Eastside People, and then in social investment with CAF Venturesome. Holger is currently the Managing Director for Big Issue Invest.

Investment Advisory Committee

The Investment Advisory Committee includes the following members:

Tim Farazmand (Chair)
Tim has worked for over 30 years in private equity. He currently chairs the Palatine Impact Fund, PCB Partners and Estio and holds various other Board positions.

Sara Redford
Sara is an experienced social investor, and had spent over a decade structuring debt and quasi-equity solutions to support private equity backed management buyouts across Europe.

Georg Stratenwerth
Georg Stratenwerth spent most of his career in private equity. He currently serves as a member of the Ashoka support network and on the Board of Trustees of ClientEarth, where he heads the Finance and Investment Committee.

Jeremy Rogers
From 1998 to 2008 Jeremy Rogers was at JP Morgan, becoming the youngest MD in JP Morgan's history. He is now chief investment officer for Big Society Capital and is also 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 is director of the Oxford Saïd Finance Lab at Saïd Business School, University of Oxford. John is also a visiting professor at Imperial College Business School.

Impact Performance Reporting Norms

As part of our commitment to maintaining best practice in impact reporting, Big Issue Invest is a founding adopter of the Impact Performance Reporting Norms, which aim to improve transparency, credibility and usefulness of impact reporting.

Topic	Location in report and/or explanation
1.1 Reporting entity and period*	The reporting entity is the Big Issue Invest Social Enterprise Investment Fund II L.P. (SEIF II). The report is a 10-year retrospective covering the Fund from launch in October 2015 through the 2025/26 financial year (to 31 March 2026), unless otherwise stated.
1.2 Impact thesis*	The Fund's impact thesis is referenced throughout this report, particularly in **Spotlighting key social outcome areas supported through SEIF II** and **Supporting and protecting impact delivery: a More than Money approach**. The report describes investing in organisations tackling poverty and inequality through six social outcome areas, in places combine to 5. Previous impact reports also cover this in detail.
2.1 Impact management process, standards, and frameworks*	The Fund's social impact assessment processes, tools and frameworks are described in our 2018-19 impact report. Briefly, impact due diligence is based on the Impact Management Project's five dimensions of impact, aligned with UN Sustainable Development Goals and Impact Management Project norms. Reporting KPIs are set in agreement with the investee, which are monitored throughout the life of the investment.
2.2 Stakeholder engagement and assessment of significance of impacts*	Outcomes and impacts for end users are measured and reported to SEIF II by investees alongside relevant commentary. At point of investment, KPIs were co-created by the investee and the SEIF II team based on relevance to the investee's mission, impact model and sector, available best practices, and proportionality.
2.3 Usage of data*	Investees report impact and enterprise data to Big Issue Invest's impact team annually. Data is handled in compliance with GDPR guidelines.
3.1 Management commentary	Management commentary can be found in the **Welcome note, Supporting and protecting impact delivery: a More than Money approach,** and **Looking Ahead** sections.
3.2 Impact performance	Invested capital is mapped to commonly used impact taxonomies and frameworks in the **Executive Summary**, **10 Years of Impact,** and **2025/26 Headline Impact.** Detailed, self-reported outcomes and impacts of SEIF II's investees are available under **SEIF II Portfolio Annual Outcomes 25/26.** Investor contribution is summarised in the **Supporting and protecting impact delivery: a More than Money approach.**

*Evergreen content

Topic	Location in report and/or explanation
3.3 Unintended and/or negative impacts	Unintended and negative impacts are primarily screened for pre-investment during impact due diligence, using the Impact Frontiers framework. The SEIF II team monitor for potential unintended and negative impact risks post-investment as part of existing support and impact reporting processes.
4.1 Impact governance*	Impact is central to decision-making across the Fund and team. The Investment Advisory Committee (IAC) provide guidance and review on potential investments and their fit with the Fund's impact thesis, as detailed in the terms of reference which governs the IAC's roles. Impact management for the Fund is provided by Big Issue Invest's impact team.
4.2 Diversity, equity and inclusion*	SEIF II gathers data on a) investee DEI policies and practices, and b) diversity of investee leadership teams, both during due diligence and as part of annual impact reporting. Organisational DEI policies and practices are in place at BII. BII report annually on staff diversity and pay gaps in their impact reports.
4.3 Parent and holding company governance (if relevant)*	See **Legal and regulatory information**
5. Case studies	**Five detailed case studies are included across the five outcomes areas highlighted:** → **Mental Health and Employment Partnership (MHEP):** Chosen as an example of how social investment can be deployed through a social outcomes contract, and work here partly informed the development of Big Issue Invest's follow-on fund, the Outcomes Investment Fund. → **Smile Together Dental:** Chosen due to the topical issue of access to quality dental services, and as an example of an employee-owned social enterprise delivering impact at scale. → **Fair for You Finance:** Selected because it illustrates both the significant impact of the responsible finance sector and the financial sustainability challenges faced by many providers. Fair for You demonstrates a model that has successfully balanced social impact with long-term viability. → Homes for Good: Selected because the investment combined both debt and equity, demonstrating how different forms of social investment can be used to support impact-led growth. → Sustainable Workspaces: Chosen as it demonstrates the breadth of community infrastructure investments that social investment can support, while also highlighting the intersection of social and environmental impact.
6. Independent review (if relevant)	N/A

Legal and Regulatory Information

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Past performance cannot be relied on as a guide to future performance.

The capital of Investors in the Funds is at risk.

Any target is not a predictor, projection or guarantee of future performance.

SEF reporting disclosures

The Big Issue Invest Social Enterprise Investment Fund II L.P., "SEIF II" or "the Fund", markets itself under the Social Enterprise Fund label. The following disclosures are made in accordance with Article 13 (No 346/2013 & No 2017/1991), with reference to relevant sections of the main report as appropriate.

As managers of the Social Enterprise Investment Fund II, Big Issue Invest is making available an annual report to the competent authority of the home Member State (FCA) for the qualifying social entrepreneurship fund, SEIF II. We follow the financial year that is April 1st to March 31st. The report describes the composition of the portfolio of the Fund and the activities of the previous year.

£1.255 million has been repaid to investors in the in the fiscal period 2025/26 , none are in the form of profits earned. The audited financial accounts for SEIF II are made available and shared with relevant stakeholders before 30 September 2026. These can be shared upon request.

The annual report has been produced in accordance with existing reporting standards and the terms agreed between the managers of the Fund and the investors. The report is made available to investors of the Fund in addition to any additional disclosures agreed.

This annual report is inclusive of at least the following:

a. details, as appropriate, of the overall social outcomes achieved by the investment policy and the method used to measure those outcomes. Readers are directed to the Outcomes Table for the most granular detail and elsewhere in the report for more aggregated figures.

b. a statement regarding all changes including any divestments that have occurred in relation to the Fund portfolio. Readers are directed to the Investment Portfolio for an overview of all projects invested in by the Fund.

c. where a divestment does occur, a description will be included and will cover whether that occurred on the basis of the criteria as referred to in point (f) of Article 14(1).

d. summary of the activities that the manager of the SEIF II has undertaken in relation to the Fund portfolio undertakings as referred to in point (l) of Article 14(1) is briefly described in the Letter from the Director. A more detailed description section on portfolio management support provided following a decision to investment into an organisation and subsequent disbursal of investment funds is included in select case studies and additional reports shared with investors.

e. information on the nature, value and purpose of the investments other than qualifying investments referred to in Article 5(1). Readers are directed to the Summary table of all investments, including amounts invested, instrument of investment included in the main impact report.

f. description of how environmental and climate-related risks are taken into account in the investment approach of SEIF II. That is as follows; The Fund is investing to tackle social inequality and drive better social outcomes for marginalised groups, it is with this lens that prospective deals are evaluated. As part of that environmental and climate-related risks are assessed during the investment due diligence phase, including looking at the current policies in place, if any, and determining its business plans, giving due consideration to the business model, sector of operation, and supply chain implications. These areas are reviewed annually to provide relevant support as required, or where lack of progress can present a material risk to positive social impact delivery. Overall, the portfolio is composed of organisations operating in low-emission sectors, with some explicitly focused on climate action, environmental and climate-related risks are currently assessed to be minimal. The majority of the portfolio has indicated a desire to develop processes to include environmental considerations in their operations and supply chain, with some already having relevant policies in place. More widely, the Fund manager is taking steps to monitor and report on carbon emissions across the Big Issue Invest organisation and portfolio using relevant proxy measures.

   Financial statements and updates are prepared and shared with investors on a quarterly basis and a formal audit of the Fund is carried out annually. The audit confirms that money and assets are held in the name of SEIF II and that the manager of the Fund has established and maintained adequate records and checks in respect of the use of any mandate or control over the money and assets of the qualifying social entrepreneurship fund and the investors therein.

BIG ISSUE INVEST

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