



Profit through Purpose

Annual Report 2016-2017





Managing Director's Summary

Fifteen years ago the term social enterprise barely existed let alone 'impact investment'. Celebrating our fifteenth birthday this year has been an important milestone to reflect on how far Resonance has come, but also take stock of the opportunities and challenges ahead. I recall our conviction that there was a way to do business differently; a way to ensure that capital served people and communities rather than the other way around. We set out to find real businesses that had purpose at their heart, intent on fulfilling that purpose in a profitable way, allowing us to find the best way for investors to back them for financial return and positive social impact.

This last year's global debates have highlighted a divisive narrative the likes of which I have not seen before. But reactions to these polarised views and behaviours have also found a new energy that finds common ground and skills to engage with people who hold different convictions.

It seems to me that social and community enterprises have an increased importance beyond just their primary function, they have become a context for different people to unite around a common purpose. We are seeing more and more social entrepreneurs coming forward with solutions to the challenges society throws at us and also more investors than ever before looking to put their capital to work for both financial return and the values they hold.



Daniel Brewer
Managing Director

Some Highlights

We launched three new impact investment funds this year:

Health & Wellbeing Challenge Fund (South West) – a £5m fund in partnership with the South West Academic Health Science Network and Access Foundation. It's both a challenge to the public sector to engage differently with the communities they serve and a challenge to the social enterprises to show they can be part of the solution.

The Resonance Bristol Sitr Fund – a £2.3m (and growing every quarter) fund focused on investing in social enterprises that help to dismantle poverty in the Bristol city region. With investment from over 70 individual investors and 11 Wealth Managers so far, it is clear we have found a way to harness the Social Investment Tax Relief to drive down the cost of capital for social enterprises driving real change in their region.

The Real Lettings Property Fund 2 – following the huge success of the Real Lettings Property Fund 1 and the National Homelessness Property Fund, the Resonance / St Mungo's partnership has returned to London with an initial investment of £45m made from three local authorities: Croydon, Lambeth & Westminster.

New Head of Ventures

We're also delighted to have breathed new life into our Ventures team by recruiting Richard Frost from a social enterprise that he co-founded and helped to build into a global force for change. Motivation was a client of Resonance's a decade ago – a perfect case study that saw an investment of cash and skills from investors back a business that had impact around the world. The investment was repaid, and the social enterprise goes from strength to strength. Unlike many of our peers, social entrepreneurs tell us they like to work with us because we understand the journey they are going on. Whilst we have accountants and investment professionals in the team, it's always been important to us that the team is headed by an entrepreneur, Richard has already built the team to nearly double the size and helped many social enterprises on their journey to growing their impact and raising investment.

5 Year Track Record

For the first time we've started to report a rolling five-year story. Over the last five years we've mobilised £91 million into the hands of 35 social enterprises and supported an additional 51 in other ways.



Who We Are & What We Do

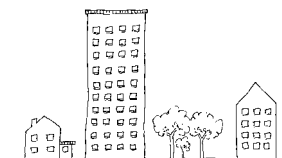
Resonance is a social impact investment company. Our mission is to connect capital with social enterprise: something we have been doing across the UK for the last fifteen years. The two main aspects of our work are Ventures and Funds.



Funds

Our Funds team creates and manages impact investment funds, focused on the capital needs of multiple social enterprises and delivering both financial returns and impact for their investors.

Property Funds



Real Lettings Property Fund ¹ & Fund ² are residential property funds providing move on accommodation for those at risk of homelessness in London as well as provide a yield and capital appreciation to their investors.

The National Homelessness Property Fund is a residential property fund expanding this model to other cities across the UK so far including Oxford, Bristol and Milton Keynes.

Enterprise Growth Funds



Resonance Bristol Sitr Fund provides loans to social enterprises that are helping to dismantle poverty in Bristol and the surrounding areas giving its investors a diversified portfolio of investments with yield and tax benefits similar to the Enterprise Investment Scheme (EIS).

Health & Wellbeing Challenge Fund (South West) provides loans to social enterprises to develop new solutions in health and social care across the South West.

Community Asset Funds



Affordable Homes Rental Fund provides loans to build affordable rental homes to community land trusts and other community-led organizations.

Community Share Underwriting Fund provides match funding to community benefit societies, raising finance for local asset projects through community shares.

Ventures

Our Ventures team offers a number of services to social enterprises to help them prepare for and raise investment:



The Health Check reviews social impact, financial performance and the business model which helps diagnose any changes required to secure investment.



Investment Readiness determines impact objectives and growth plans whilst exploring the most appropriate investment structures to suit the enterprise's needs.



Deal Arranging supports social enterprises through the legal process of securing investment and presents their investment opportunity to potential investors.



Social Impact Observatory assists enterprises to fully articulate their wider impact and introduces appropriate systems which measure, monitor and ultimately manage their social impact.

Our Board

Daniel Brewer, Managing Director, founded Resonance in 2002 and has been a pioneer of UK social investment for the past 15 years.

Anita Bhatia, a corporate lawyer, formerly at AXA and now at Barclays Wealth. Anita chairs our risk and resources sub group and is also a director of Resonance Impact Investment Ltd, our FCA authorised subsidiary.

Graham Hodgkin, formerly MD at Deutsch Bank and CEO of London Air Ambulance, now a professional leadership coach. Graham chairs our people and remuneration sub group.

Simon Chisholm, Investment Director, joined Resonance in 2012 to build its Funds business having formerly served as a Director with N M Rothschild & Sons and Trustee of a homelessness charity.

Karen Shackleton, advisor to a number of Local Authority pension funds and formerly CEO of a financial advisory business. Karen chairs the marketing sub group and is also a director of Resonance Impact Investment Ltd, our FCA authorised subsidiary.

Peter Dawe OBE is a serial entrepreneur, most notably founder and Chief Exec of internet pioneer Pipex. Peter chairs the new product development sub group.



Daniel Brewer



Simon Chisholm



Graham Hodgkin



Peter Dawe



Anita Bhatia



Karen Shackleton



Case Studies

Real Lettings



Property

London

Total Amount: £5.4 million
Source of Investment: Real Lettings Property Fund¹
Number of Transactions: 16
Number of Investors: 10
Impact: Housing & Homelessness

Bristol

Total Amount: £7.5 million
Source of Investment: National Homelessness Property Fund
Number of Transactions: 49
Number of Investors: 11
Impact: Housing & Homelessness

Real Lettings is a social lettings service set up to help secure homes for vulnerably housed and homeless people in the private sector. Real Lettings is a social enterprise working within homelessness charity St Mungo's. The Resonance property funds buy residential flats which are leased to Real Lettings and then made available to individuals and families who are homeless, or are at risk of homelessness.

Hollywell Housing Trust

“Investment from the Fund enables us to grow the business much faster than we would have been able to do without it – the plan is to increase the number of tenants we have from 25 to 75 in the next 12 months and continue at a similar growth rate going forward.”

Katie Sherjan
 CEO Hollywell Housing

Enterprise Growth

Total Amount: £90,000
Source of Investment: Health & Wellbeing Challenge Fund (South West)
Number of Transactions: 1
Number of Investors: 3
Impact: Housing & Homelessness, Health & Wellbeing

Hollywell Housing Trust is a social enterprise set up to offer bespoke housing and tenancy management services for people with learning disabilities who might otherwise not be able to access a sustainable home or manage a tenancy independently.

Low Carbon Hub



Ventures

Total Amount: £600,000
Source of Investment: Charity Bank
Number of Transactions: 1
Number of Investors: 1
Impact: Energy & The Environment, Community

Low Carbon Hub is a pioneering social enterprise, working for massive change in the UK's energy system. They develop community-owned renewable energy across Oxfordshire and re-invest 100% of the surplus in their mission to create an energy system that helps reduce carbon emissions and energy bills.

Milton Keynes

Total Amount: £4.2 million
Source of Investment: National Homelessness Property Fund
Number of Transactions: 24
Number of Investors: 11
Impact: Housing & Homelessness

Oxford

Total Amount: £6.5 million
Source of Investment: National Homelessness Property Fund
Number of Transactions: 30
Number of Investors: 11
Impact: Housing & Homelessness

Investment focus

These property funds have been developed in response to the lack of private rented accommodation accessible to rising numbers of people living in temporary accommodation or otherwise at risk of homelessness. This year they have secured a further 119 homes across the UK. Further investment into these funds will continue to help thousands of people on the journey out of homelessness.



Investment focus

The investment will allow Hollywell to expand their operations, reduce their waiting list and reach new areas across the region, increasing its capacity in the first year by 200%.



Investment focus

This investment (part of a £2m facility) enabled Low Carbon Hub to develop their largest renewable energy project to date: a £3m hydroelectric Archimedes screw installation at Sandford Lock on the Thames. The investment includes the development of a fish pass – an essential mechanism to rebalance the eco-system hampered by the weir and lock system.



Bearpit Bristol CIC



Enterprise Growth

Total Amount: £112,000
Source of Investment: Resonance Bristol Sitr Fund
Number of Transactions: 1
Number of Investors: 60
Impact: Poverty & Disadvantage

Bearpit Bristol CIC developed a new approach to regeneration utilising community action to create a safe and welcoming destination. The pedestrian area known as the Bearpit was voted the worst area in Bristol in 2011. It had been neglected and as a result suffered a spike in crime and violence. These new ambitions are delivered through food retail outlets and targeted community events, in collaboration with organizations throughout the city to inspire the community.

Broadhempston CLT



Community Assets

Total Amount: £50,000
Source of Investment: Affordable Homes Rental Fund
Number of Transactions: 1
Number of Investors: 4
Impact: Housing & Homelessness

Broadhempston CLT is a community-led organization in Devon that was set up to enable local people to self-build affordable eco-housing in an area made unaffordable by a large proportion of second homes.

BeyondAutism



Ventures

Total Amount: £1 million
Source of Investment: Triodos Bank
Number of Transactions: 1
Number of Investors: 1
Impact: Education & Learning; Health, Wellbeing & Social Care

BeyondAutism runs a pioneering education programme for children with autism, based across two school sites in South London. It links physical and social development with the latest research. The charity is dedicated to empowering people with autism to lead fuller lives through positive educational experiences, training for the people who work with them and support for their families and carers.

Investment focus

The investment supports three organizations coming together as one social enterprise, developing additional complementary services like delivery, longer opening hours and catering through a shared commercial kitchen to drive turnover securing their sustainability and growth for years to come.

“ We are delighted at the quick and timely response from the Resonance Bristol SITR Fund, which has shown that it can align the investment to the need and speed of enterprises. Our ambition is to showcase Bristol’s first ‘Community Action Zone’ – putting community and diversity at the heart of everything we do ”

Miriam Delogu
Director

Investment focus

This follow on investment (part of a £930,000 facility) enabled the project to successfully complete in 2016 and has empowered 6 local families in housing need to self-build their own eco-housing and receive a 25% stake in their property in return for their labour. The scheme has enhanced the skill base of all the volunteers involved, with many having completed National Vocational Qualifications (NVQs). It has been an exemplar self-build project, attracting national recognition for its community leadership whilst also achieving high ecological and design quality.



Investment focus

This investment (part of a £5.9m facility) has enabled BeyondAutism to acquire a site and develop an additional building for their secondary school age children. This enables the school to cater for another 40 students with a tailored home space designed to teach independent living skills.

“ Without Resonance, this deal would not have happened ”

Karen Sorab
Chair BeyondAutism



Bristol 24/7 CIC



Enterprise Growth

Total Amount: £150,000
Source of Investment: Resonance Bristol Sitr Fund
Number of Transactions: 1
Number of Investors: 59
Impact: Poverty & Disadvantage

Bristol 24/7 is a popular online newsletter and monthly printed magazine and a Community Interest Company (CIC). It is dedicated to celebrating Bristol, its people and their stories in order to help build stronger communities through communication between them. The publication reaches out and encourages those from marginalised neighbourhoods by offering training, work experience and internships in journalism.

London CLT

“The skills and heart Resonance put into this has meant we felt we are working with an organization that shares similar values to us; bringing about a more equitable and sustainable future for communities, creating new opportunities and hope for those on the margins”

Paul Regan
Chair of London CLT

Ventures

Total Amount: £500,000
Source of Investment: Ethex, Big Issue Invest, Resonance Angel Investor Network
Number of Transactions: 2
Number of Investors: 225
Impact: Housing & Homelessness

London Community Land Trust provides genuine and permanently affordable homes, offering one way to address the growing gap in the housing market between people who qualify for social housing and those who can afford to buy a home on the open market.

PAPER Arts



Enterprise Growth

Total Amount: £350,000
Source of Investment: Resonance Bristol Sitr Fund, Esmée Fairbairn Foundation
Number of Transactions: 2
Number of Investors: 61
Impact: Poverty & Disadvantage

PAPER Arts helps young people who are unemployed, under-employed or starting out as self-employed to develop their creative potential. The support enables them to generate income from their artistic talents through a range of programmes and training opportunities.

Investment focus

The investment helps Bristol 24/7 facilitate the training to set up local hubs across Bristol using a new software platform. This enables local people to contribute articles and photos to the main website, whilst allowing 24/7 to raise their own revenue from advertising. This in turn creates career opportunities in media for those who are currently more likely to be excluded from the sector.

“ I learned a wide variety of skills that have been invaluable; from writing to editing, interviewing to photojournalism. I know I will be putting everything I learned about journalism at Bristol 24/7 to good use for years to come ”

Meena Alexander

Investment focus

The investment has helped London CLT develop a forecast pipeline of 184 homes on the Olympic Park and in South London. All homes will be permanently affordable based on local incomes and will house over 700 people who would otherwise not have a home in London of their own.



Investment focus

The investment enabled PAPER Arts to purchase and refurbish a building in the St Paul's area from Bristol City Council, which had been empty for four years, helping to revitalize a previously run-down area. The new studio spaces and training areas enable PAPER Arts to engage with at least four times the number of people.



Stockwood CBS

“ Stockwood Community Benefit Society has been founded to protect Rush Farm and the community that interacts with it forever ”

Sebastian Parsons
Co-founder

Ventures

Total Amount: £280,000
Source of Investment: Ethex, Resonance Angel Investor Network
Number of Transactions: 2
Number of Investors: 95
Impact: Energy & The Environment, Education & Learning, Farming, Community

Stockwood Community Benefit Society was formed to preserve and protect Rush Farm in perpetuity and to embed ethical management of a valuable rural business park. They promote and educate on a wide range of environmental and socially sustainable practices. Stockwood CBS had previously been helped by Resonance to raise capital to acquire the main farmland of Rush Farm in 2015 including investment from Resonance's community Share Underwriting Fund.

South Bristol Sports Centre



Enterprise Growth

Total Amount: £250,000
Source of Investment: Resonance Bristol Sitr Fund
Number of Transactions: 1
Number of Investors: 49
Impact: Poverty & Disadvantage, Health & Wellbeing

South Bristol Sports Centre (SBSC) is a charity which uses the power of sport to engage hard to reach young people in South Bristol, which includes 8 of the 10 most deprived areas in the City – all of which are in the 1% most deprived areas of the country.

Southill Solar

“ This financial underwriting is a great example of how a social investment impact fund provides essential support to community initiatives. It came at a critical time in our share offer, demonstrating confidence in our project along our path to full financial close. ”

Tim Crisp
Director Southill Solar

Community Assets

Total Amount: £600,000
Source of Investment: Community Share Underwriting Fund
Number of Transactions: 1
Number of Investors: 6
Impact: Energy & The Environment, Education & Learning

Southill Community Energy is a community benefit society that inspires and empowers local people and organizations to reduce their carbon emissions. Their first project is Southill Solar which is a community-owned solar farm.

Investment focus

Stockwood CBS used this investment to develop a ground source district heat system for the business park and local residents, which was optimised by a 45 kWh (kilowatt hour) installation of solar panels on one of the larger industrial units.



Investment focus

The investment financed six new, five-a-side all-weather football pitches. This means SBSC can run sessions all year round and provide a more attractive, up-to-date space incorporating state of the art 're-play' technology to engage even more young people. The new facility further enables their unique programme of sport as a route to inspire and raise aspirations of young people in the local area.

“ South Bristol Sports Centre has helped me use football to get away from my troubled background and get back in a classroom – a place I hated. I’ve now completed a number of FA coaching qualifications and have become a professional coach. I pride myself in being able to inspire children to help them develop – not only in sport, but as people. ”

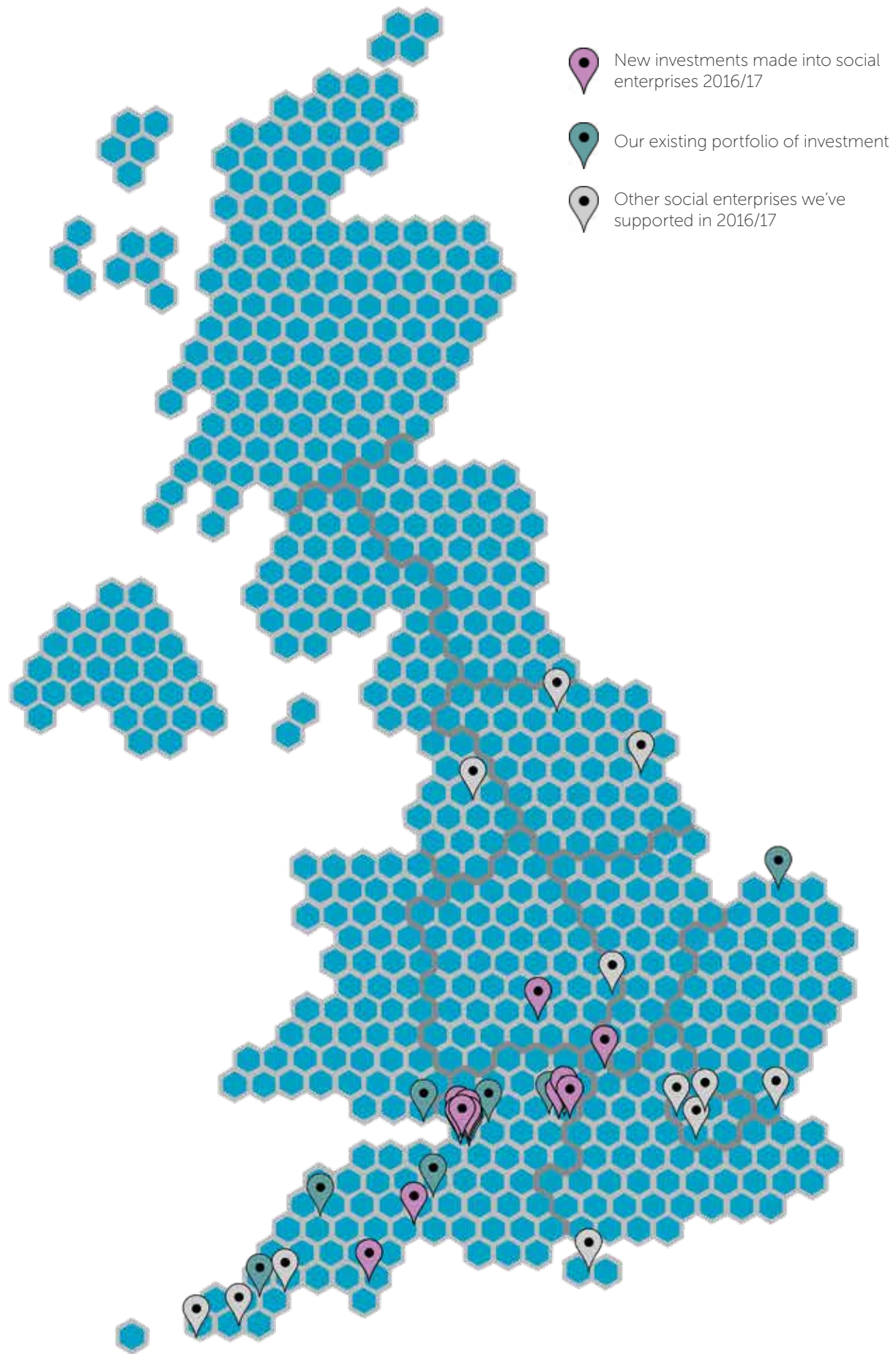
Billy Downes, 23

Investment focus

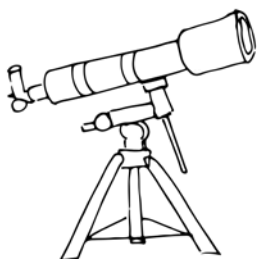
The loan enabled construction of a 4.5MWp (megawatt peak) generating enough electricity to supply the equivalent of approx. 1,100 homes. Surplus funds are re-invested into the community on projects that focus on reducing energy consumption in community buildings. In addition to creating renewable energy, the scheme is supporting the education of the community around the themes of energy efficiency, carbon footprint reduction and biodiversity.



Our Reach



Beyond Investments



Beyond just arranging and making investments, we also work with a number of social enterprises, helping them on their journey to scale their impact. Investment on its own is rarely sufficient to achieve an enterprise's growth ambition and it is never the starting point. We are constantly

looking at ways to use our networks and knowledge to help deliver solutions to challenges faced by society. Sometimes this is through early support for individual social enterprises looking at new income models, sometimes by exploring how cohorts of social enterprises achieve more together.

Income Diversification

In October 2016 the Resonance Ventures team developed the Income Diversification Programme (IDP) in partnership with the Lloyds Bank Foundation for England and Wales (LBF EW). This pilot programme was created to better understand how small and medium sized, largely grant dependent, charities can diversify their income streams and achieve a more sustainable platform from which to grow their impact. Twenty charities were selected, sixteen have successfully been through the Review phase and a number are progressing into the next phase developing impact-led business models that can scale.

Urgent Health

Resonance was commissioned by Urgent Health UK (UHUK), a federation of Social Enterprise Primary and Community Care Providers, to produce a report on the sources and applications of social investment. UHUK and its members wanted to understand the landscape of social investment to finance opportunities for growth in out-of-hospital care. Resonance mapped all available direct and indirect sources of capital across the UK and by type of finance. This has enabled UHUK to support its members in navigating the social investment opportunities more effectively.

Market Making

Sometimes we can see investment opportunities that require some shaping of a customer / supplier relationship in order to provide a new solution that adds both social and commercial value. Our ambition for our Health & Wellbeing Challenge Fund (South West) is to explore opportunities to bring about system change for people

to experience better health. Because of the limitations of the current structures, simply making loans available to social enterprises is not always going to be enough. We therefore designed a programme of support with the South West Academic Health Science Network and the Real Ideas Organization to facilitate connections between commissioners and other 'buyers' of health & wellbeing interventions.

We are primarily focused on seeing services developed that help people and communities in the South West lead more healthy lives but this need not be limited to public sector commissioning.

The expectation is that through designing and implementing new revenue models, there is an increased likelihood that additional investment opportunities may emerge. By creating a new framework one project could lead to investments in multiple social enterprises.

Impact Management

For our clients we created the **Resonance Impact Observatory**. This is a consultancy service which gives life to looking at impact. It helps social enterprises to make impact measurement the 'new normal': as much a part of management information as financial data. Instead of a hoop to jump through for investors, the Impact Observatory is helping our clients wire-up their data on impact so they can make better decisions and trace the line-of-sight between investment and impact. A good example is youth charity UKSA, for whom Board meetings used to be a familiar affair where the directors would mainly debate one set of data: the quarterly management accounts. Fast-forward to today and, after some beautifully imaginative work on their impact measurement, the Board now typically asks for two sets of data: management accounts; and impact dashboard. That's the definition of our Impact Observatory: helping clients make impact a permanent part of their DNA.

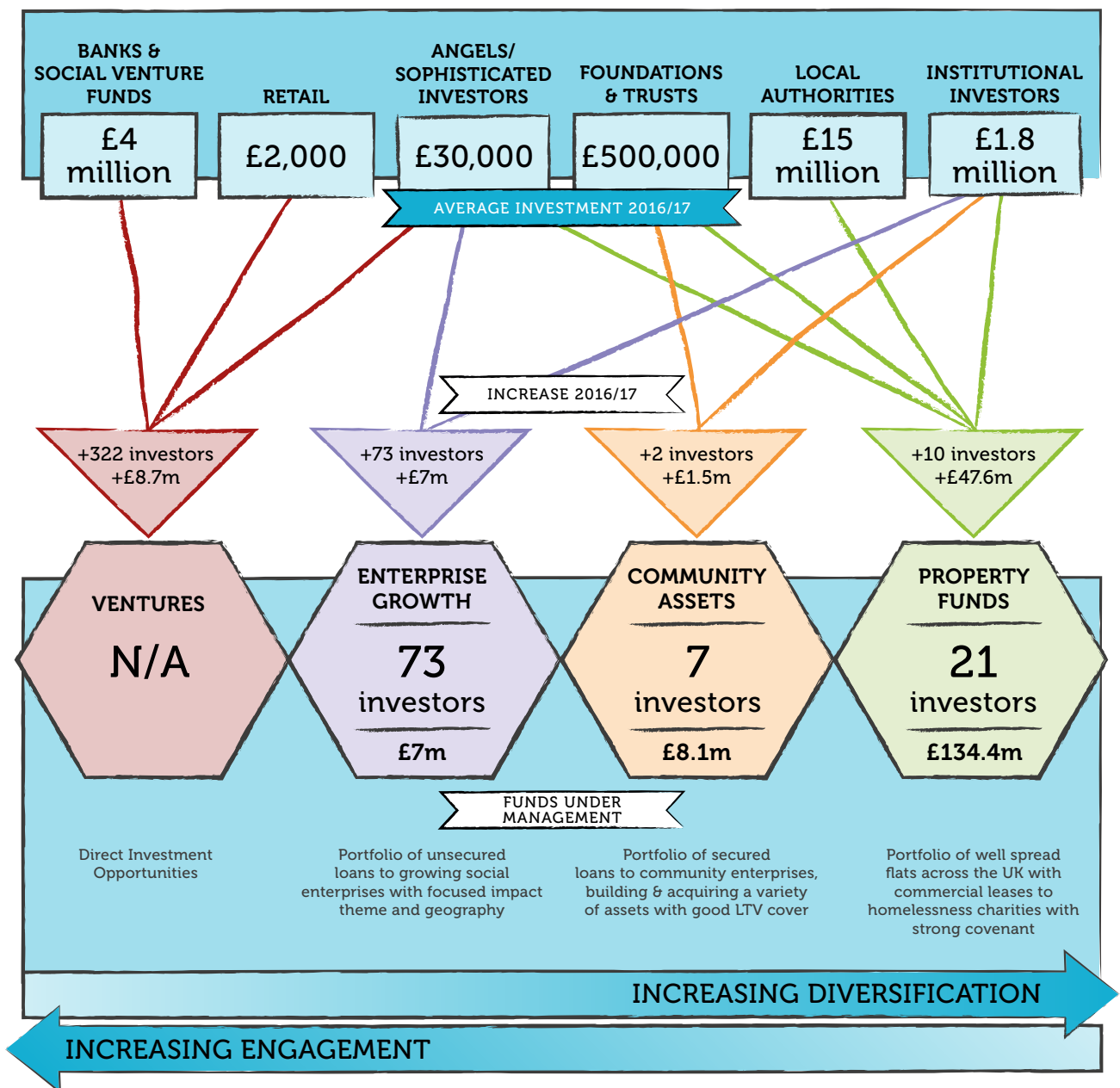
Knowledge Transfer

Our commitment to championing Impact Investment occasionally goes beyond our shores. Following on from a successful knowledge sharing project in 2015 to Bangladesh sponsored by the British Council, in November 2016, the National Advisory Board for Social Investment in Japan, requested Resonance to share the story of how the eco-system for social investing in the UK has evolved. Daniel, our Managing Director, shared a platform with Japanese politicians from the three leading parties in a conference on Social Innovation hosted by The Nippon Foundation. Shortly after this event, the required legislation was successfully passed to set up the Japanese equivalent of the UK's Big Society Capital.



Investment Activities

Resonance continues to attract investors looking for both a good financial return and a focused social impact. The strategy is simple: find the best and most viable forms of social enterprise, and deliver the most effective way for investors to back their business and impact. This has led us to focus on three key asset classes for our impact investment funds: Enterprise Growth, Community Assets and Property. In addition, our Ventures team works with individual social enterprises and offers direct investment opportunities to investors. Investing in social enterprise through these asset classes brings many benefits: for example, accessing under-served markets, backing more robust and sustainable business models and, in some cases, investing more tax efficiently as well. As the enterprises all have an intentional social impact, growing their operations with investment creates positive social impact, which we measure and report on every year in the Social Impact Report for each fund.



Enterprise Growth Funds – scaling social enterprise through access to affordable and flexible growth capital

The flagship Resonance Bristol Sitr Fund completed 5 new investments into established but growing enterprises across multiple business and impact areas. Whilst continuing to raise investment for Bristol, preparations have been made for the launch of the next regional Sitr fund in the West Midlands and beyond. The Health & Wellbeing Challenge Fund (South West) made its first investments into smaller scale, pioneering social enterprises in the South West.

Property Funds – scaling social enterprise through access to residential property, on the right terms and at volume, with a current focus on homelessness

The National Homelessness Property Fund added 119 properties to its portfolio across the initial target cities of Oxford, Milton Keynes and Bristol, in partnership with St Mungo's. Discussions with other Local Authorities and homelessness charities have begun in order to lay the foundations for the further expansion of this initiative around the country. Meanwhile, we relaunched in London with a second Real Lettings Property Fund which achieved a first close of £45m.

Community Asset Funds – empowering local communities to deliver the asset projects they need to flourish, and inspire others

Our Community Share Underwriting Fund finished its deployment, having successfully underwritten community asset projects worth 4.4m. The Affordable Homes Rental Fund continues to work with Community Land Trusts needing development or term loans for affordable rental properties for local families.

Ventures (Direct Deals) – arranging finance for individual social enterprises

This year our Ventures team has completed on 4 transactions with backing from two leading social banks and over 300 individuals who used their savings to get behind community-led enterprises. Of course, our work goes beyond just investing and a lot of the support we provide is helping to develop the impact business models that enable social entrepreneurs to bring their visions of a better tomorrow into today's reality. In addition to those social enterprises benefiting from investment, this year we supported a further 17 in some paid for way.

“If you want to use some of your wealth to address major social issues the Resonance Sitr funds offer a great opportunity from an experienced team and its diversified”

James Dickens
Director & Financial Planner,
Grierson Dickens

“This social investment is the one I like the best”

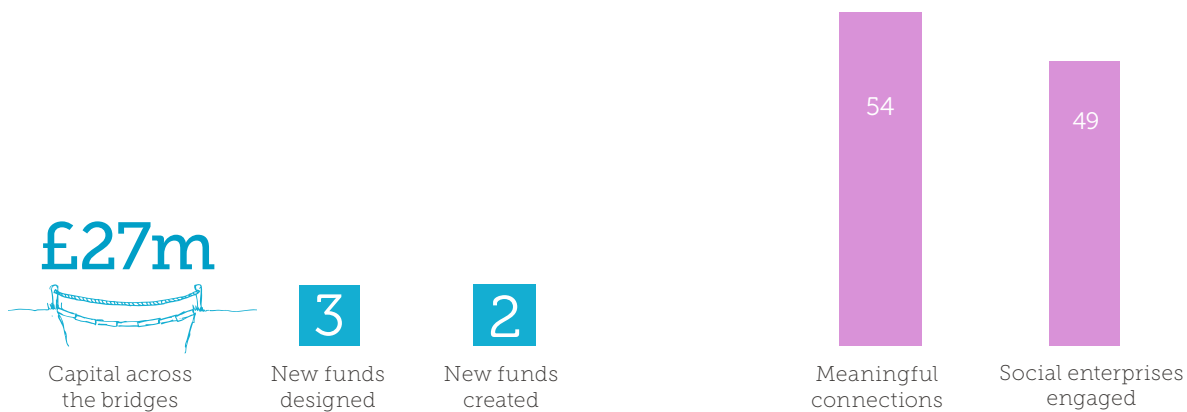
(Investor comment from survey of investors in Resonance property funds)

“Resonance provided clear and concise information relating to the transaction. They supported the process and acted in a professional manner throughout.”

CAF Bank



Our 2016/17 Impact Metrics

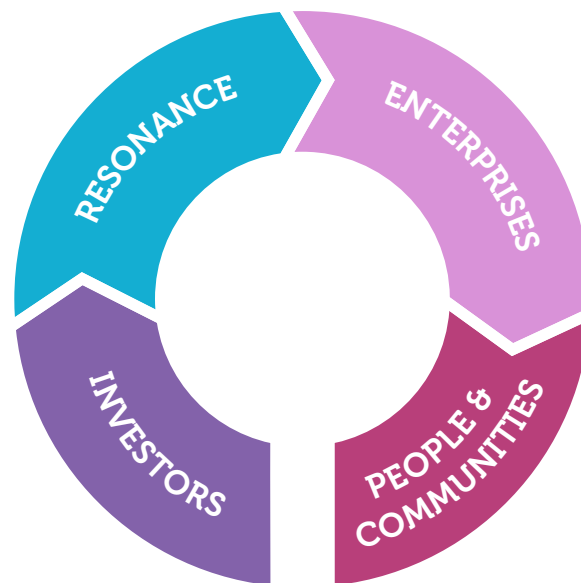


Resonance:

- **Bridge-building:** We built bridges between investors and social enterprises that carried £27m of capital to 16 social enterprises from 393 investors in 2016/17
- **Systemic change:** We have designed 3 new funds, 2 of which were successfully launched, all in pursuit of mobilising capital efficiently for social enterprises to deliver greater social impact

Social Enterprises:

- **Extending our reach:** We made 54 meaningful introductions to third parties for our social enterprises including suppliers, customers, funders, non-executive directors etc
- **Wrap around support:** We provided 49 social enterprises with investment or supported them through paid consultancy in 2016/17



380
New investors



13
Returnee investors



400
New people housed



2831
Additional people supported



25
Communities helped

Investors:

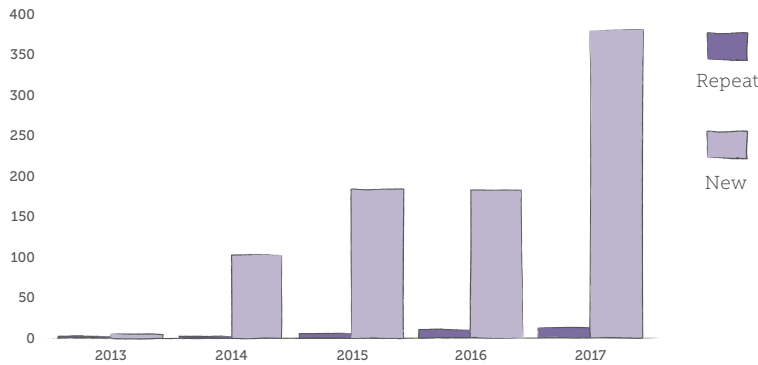
- **Growing the market:** 380 new investors connected to social enterprises through our deals in 2016/17
- **Building relationships:** 13 investors returned this year to invest again
- **Scaling impact:** The 13 returnee investors invested £20m

People:

- **Somewhere to call home:** 400 new people were housed in homes 2016/17
- **People supported:** 2831 other people were supported by the projects we've backed
- **Communities:** 25 communities across the UK have been impacted by the social enterprises we've supported

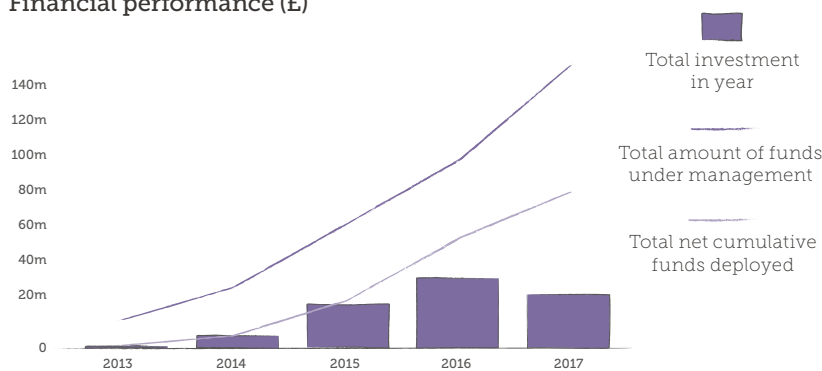
Our 5 Year Track Record

Number and type of investors



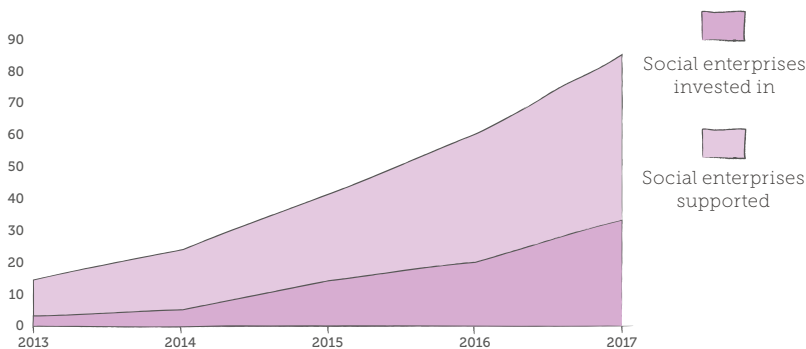
We are always equally pleased with being able to attract an increasing number of investors as we are with investors returning to back another fund or venture. One measure shows our increasing reach and the other the depth of relationship. The largest volume of investors currently tracks the community share issues we arrange where the bulk of capital is in small tranches from ethical savers.

Financial performance (£)



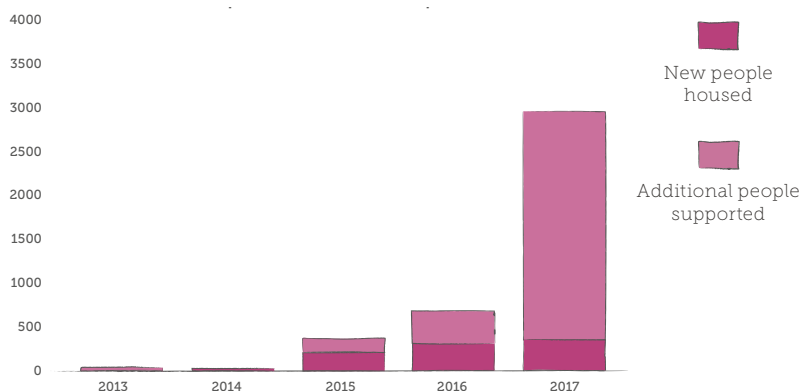
Our Funds Under Management have continued to grow and as most of our funds operate with a 2 year investment period, we are currently deploying capital slightly ahead of this natural time lag. This is true even though some capital has begun to be returned from the social enterprises in meaningful quantities for the first time this year. Whilst we have arranged less total investments across both our funds and ventures businesses this year, we are committed to staying focused on the useful capital actually drawn by social enterprises rather than simply legal completions.

Cumulative number of social enterprises backed



Sometimes the work we do with social enterprises spans several years and begins a considerable way before they are ready for investment, and in some situations, investment is ultimately not the right solution for them. Investment is one tool to grow the social impact of an organization; not the only tool. Whilst we like to think we help and support many more social enterprises informally, what we are showing here is the number that have valued our support sufficiently to pay for it.

People and communities impacted



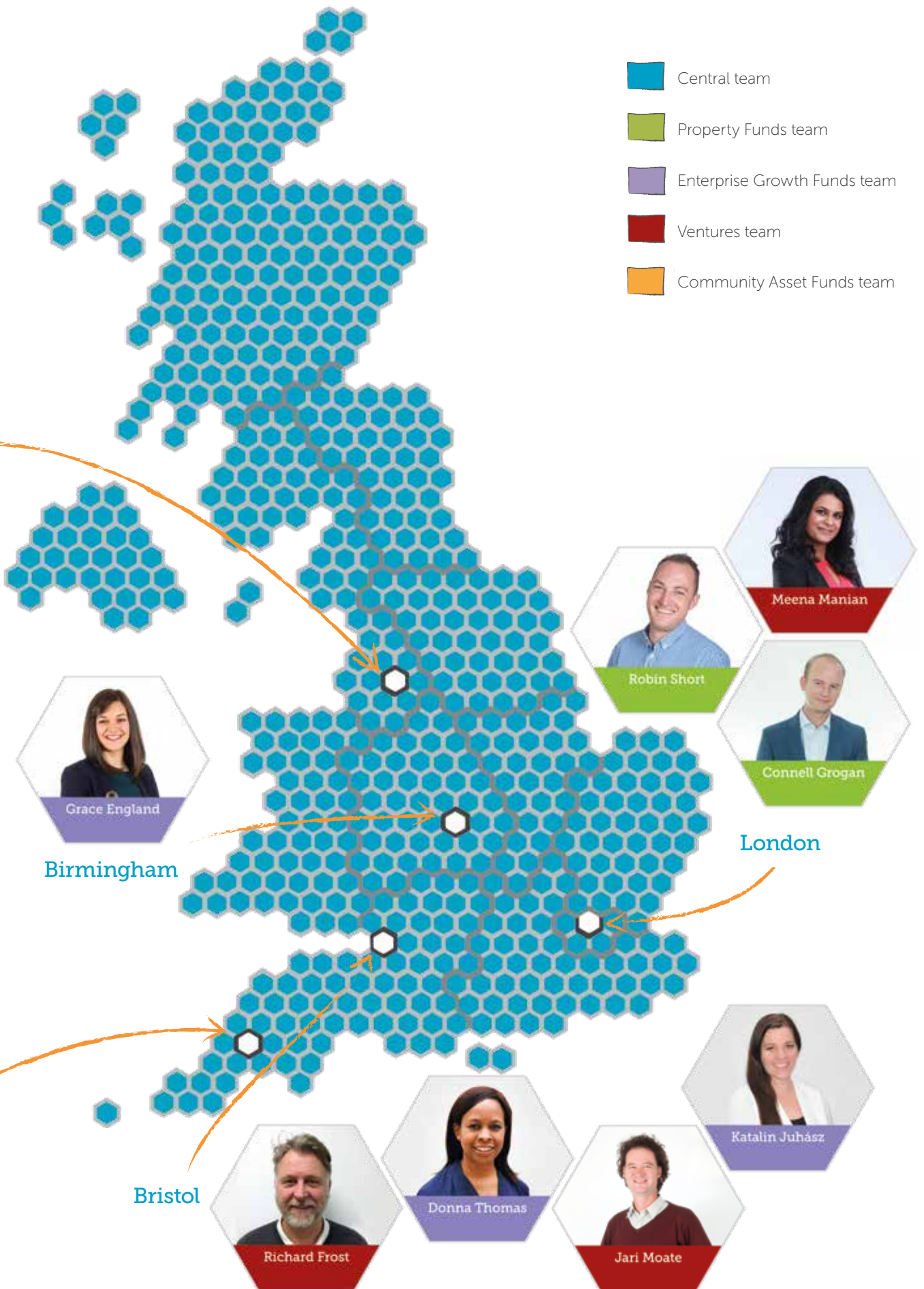
The provision of capital to a social enterprise might make it stronger or bigger but the real change in society is achieved by the social entrepreneurs we back and the people they support. This support takes many different forms but at the very least this shows the reach of the social enterprises we support. Easier to attribute to the capital we provide is the number of new people housed each year and it was a real milestone to have provided in excess of 1000 people with homes over the past five years.



Team and Offices



-  Central team
-  Property Funds team
-  Enterprise Growth Funds team
-  Ventures team
-  Community Asset Funds team



Birmingham

London

Bristol

Grace England

Robin Short

Meena Manian

Connell Grogan

Katalin Juhász

Donna Thomas

Richard Frost

Jari Moate



Partners

We are natural collaborators and intentionally work with others that enable us to have a greater impact with helping social enterprises. Each partnership is varied and we look to find ways that we can achieve more together than we can on our own – it's not just about expansion it's about synergy.



St Mungo's

Our partnership with St Mungo's focuses on scaling their social enterprise 'Real Lettings' through a series of private rented sector (PRS) funds to provide 'move-on' accommodation for homeless individuals and families. It is our most significant partnership to date and a real example of how investors and charities can behave like peers rather than transactional adversaries. Over the last 4 years, this partnership has gone from a standing start to over £130m of investor capital buying over £2m worth of property a month to house homeless families.

It's a partnership we expect to go much further but the lessons we have learnt here we are already looking to apply to different areas.



Lloyds Bank Foundation

Our partnership with Lloyds Bank Foundation for England & Wales (LBFEW) is a new one for us this year and is refreshingly focused on Income Diversification for social enterprises. Income must come first. Investment may then help to accelerate the growth of income. We think this is a model that could be used more widely by Grant Making Trusts wishing to explore Social Investment for their grantees. Over the last year we have been refining tools together that enable social enterprises to take these steps forward confidently.



Transformational Index

Resonance was the first corporate licensee of the Transformational Index (TI) and our partnership with the TI team has gone from strength to strength.

It is no longer good enough to just say 'We're a charity, give us money'; stakeholders want to know how and why doing what social enterprises do makes a difference and most importantly how it can be evidenced.

The TI team are a social impact measurement and design organization. They provide tools, products and services to

help organizations quickly identify their intended theory of change and also helps them measure and ultimately manage their social impact.

'If you don't measure what you value, you will end up valuing what you measure'



Ethex

Ethex, a rapidly growing not for profit organization based out of Oxford, is creating a marketplace for positive investments. Through their platform, people can invest in causes that are important to them and these organizations can find the investment they need to grow and develop.

Resonance is increasingly working with Ethex to communicate investment opportunities to their everyday investors. This year, these include community share issues for Stockwood CBS, London CLT and South Hill Solar.



The South West Academic Health Science Network (SW AHSN)

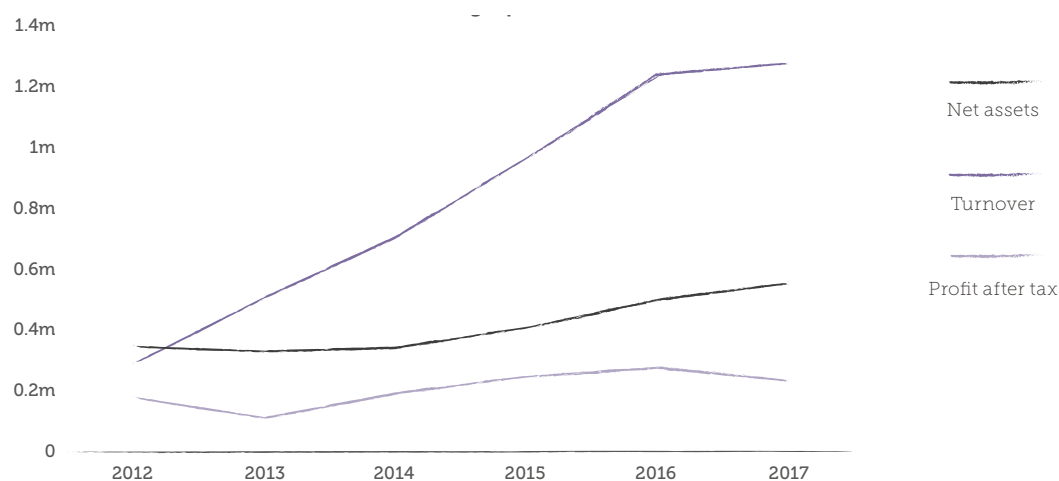
Nationally there are 15 AHSNs, regional bodies set up by NHS England to identify, adopt and spread innovation across the region. The SW AHSN has uniquely chosen as one of its priorities the innovation in and with social enterprises and the wider voluntary, or third, sector. With Resonance the SW AHSN worked to co-design a new fund and anchored it with investment that ultimately leveraged in nearly 10 times the capital from other sources. The ambition is to demonstrate that system change can come from strengthening social enterprises that have innovative models, challenging the status quo from the bottom up. We call this fund the Health & Wellbeing Challenge Fund (South West). We think this is another model for cause focused organizations to partner with investment specialists. Without each other, neither of us would have attempted this on our own.

Strength and Balance

The Resonance Group has continued its steady pace of growth throughout the period, finishing the financial year with funds under management of £145m, a 55% increase on last year. This is our main revenue driver enabling us to achieve a modest surplus.

	2017 £m	2016 £m
Funds Under Management (<i>nearest £m</i>)	145	95
Funds Deployed (<i>nearest £m</i>)	80	57
Total Investment Made In Year (Funds and Ventures)	27	35
Net Assets	0.41	0.35
Turnover	1.23	1.18
Profit After Tax	0.06	0.11

6 year historic financials (£)



The team has increased by 45% this year and whilst overall staff are a healthy mix of men and women, it continues to be a challenge to recruit women into our highest percentile roles.

Balance and diversity produces performance, performance increases strength and resilience. As an organization we are committed to transparency and accountability.

Pay & gender balance

	2017	2016
Total number of staff	31	20
Percentage of women	45%	52%
Ratio highest to median salary (excluding non execs and interns)	2	1.65
Ratio highest to lowest salary (excluding non execs and interns)	3.5	3.1
Proportion of staff with above inflation pay rises who were women	27%	75%
Median gender pay gap*	31%	28%

*Median gender pay gap: (median pay for men - median pay for women) / median pay for men



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