

GLOSSARY from Social Investment Explained

(<http://www.bigpotential.org.uk/resource/social-investment-guide>)

*The descriptions below are not the dictionary definitions of the words but explain what the terms refer to in the context of **social investment**:*

Accelerator: a short-term programme of investment and support for early stage enterprises

Angel Investor: an individual investor who makes an investment in an earlystage enterprise

Asset: something that your organisation owns – often a building or equipment

Brokerage: making the connection between an investor and an organisation seeking investment

Business Model: what your organisation does, what it produces or delivers, and who pays for that product or service

Business Plan: document explaining your organisation's goals and how you will achieve them

Cashflow: the movement of money in and out of your business over a period of time, and the gaps and dips of when you have cash in hand

Debt: an amount of money borrowed by one organisation from another

Donations: a gift that your enterprise can spend fulfilling its social aims however it chooses to do so

Equity: a stake in an enterprise owned by shareholders

Grant: a payment to your organisations that may have some conditions attached but does not have to be repaid

Interest: fee paid by a borrower to a lender

Investment Readiness: an organisation having the systems, processes and business model to be able to attract investment

Limited by Guarantee: an organisation that does not have shareholders

Loan: some money provided by an individual or organisation to another individual organisation on the basis that they will get it back, usually over a set period of time in return for a fee (see interest)

Patient Investor: an investor who is prepared to wait a relatively long time to get their money back

Payment by Results: a contract, usually with the public sector, where an enterprise is paid based on whether the service they deliver meets a series of targets

Profit: the difference between the cost of providing a product or service and the price it is sold for

(Non-financial) Rewards: gifts an organisation gives to crowdfunders to encourage them to invest in the enterprise

Risk: the potential of losing an investment weighed against the potential of making a profit on the investment and/or achieving positive social change through that investment

Scale Up: an enterprise growing its operations to sell its products and services to more customers and/or over a wider geographical area

Social Bank: a bank set up with a social and environmental purpose, and concerned with the environmental and social consequences of its investments

Social Impact: the effect of an organisation's activities on 'society' – usually a specific social problem, group of people or local area; also referred to as social value

Social Investment Finance Intermediaries (SIFIs): organisations that connect enterprise with a social purpose with investment, either by raising and investment funds or by helping enterprises to find investment

Social Investors: people or organisations (including government) who invest in charities and social enterprises with intention both of at least getting their money back and of supporting positive social change

Special Purpose Vehicle (or SPV): an enterprise created for specific and sometimes time-limited purposes, for example, a charity or social enterprise delivering a contract with a private sector company.

Start-up: a new business, usually up to 3 years old

Track Record: the achievements and past performance of your organisation

Turnover: the total amount of business done by your organisation over a given period of time

Working Capital: money your organisation needs to finance its day-to-day operations