

## SOCIAL FINANCE RAISES £1.7M FOR 4CHILDREN TO EXPAND ITS UK CHILDREN CENTRES AND NURSERIES OPERATIONS

13 October 2014, London.

Social Finance has raised £1.7m loan financing for 4Children, the leading national not-for-profit operator of children's centres and nurseries. £1m has been provided by HSBC bank and a further £700,000 has come from the FSE Group Social Impact Accelerator Fund to fund the growth of 4Children's activities across the UK.

4Children is one of the UK's largest children's charities generating nearly £30m per year in revenue from its trading operations. With a national network of over 150 settings across the country, it supports more than 100,000 families in some of the most disadvantaged communities through its children centres, nurseries and out of school clubs.

With the investment announced today, 4Children hopes to open and manage at least 50 new children's centres and nurseries over the next three years, offering affordable nursery places and free children's services to more than 15,000 new families each year. The surplus generated from the trading operations financed through the loan will be reinvested into 4Children's charitable policy and campaigning work.

"The investment will help us work with local authorities to be more cost efficient and catalyse our growth, enabling us to continue to help evermore children and families." *Charles Ellis, Deputy Chief Executive, 4Children*

In 2013, 4Children was awarded a Cabinet Office Investment Readiness and Contract Fund grant, which funded work with Social Finance to develop an investment plan to support its continuing expansion.

"We are delighted that 4Children is the first investment for the Social Impact Accelerator. We believe the work 4Children undertakes creates a substantial impact on the lives of children and families by offering local, easy to access services and affordable child care." *Mark Bickford, Senior Fund Manager, FSE*

4Children has significant experience in working with the hardest to reach families. They provide a wide range of services including parenting classes, health care, education and training, employment support and financial advice.

"HSBC has supported 4Children's growth over the last three years and is very happy to provide its largest loan to date. This is the first time we have worked in conjunction with a Social Investor to provide a larger amount of finance than might otherwise have been available." *Navin Sharma, Senior Commercial Manager, HSBC*

Social Finance, acted as exclusive financial advisor to 4Children assisting them with the creation of a three year business plan and operating financial model. Social Finance introduced 4Children to a variety of potential investors, eventually selecting the HSBC and FSE combination.

"4Children is an excellent example of a charity finding innovative and long term solutions to fund its work. 4Children's network of children's centres and nurseries



provides high quality examples of why these centres and the services they provide are so important in the day-to-day lives of disadvantaged and hard to reach families. Social Finance is proud to have helped enable the growth of 4Children.” *Fiona Miller-Smith, Chief Operating Officer, Social Finance*

*For more information, please contact Alisa Helbitz, Director of Communications on 07500 433044 or [alisa.helbitz@socialfinance.org.uk](mailto:alisa.helbitz@socialfinance.org.uk)*

Notes to editors:

- 1) 4Children was set up in 1983 as a policy and campaigning organisation. It began offering children services in 2006 and currently manages 100 children’s centres, 32 nurseries, 26 RAF centres and 21 Out of School clubs. It also runs seven projects for the Department of Education. [www.4children.org.uk](http://www.4children.org.uk)
- 2) Social Finance is a not for profit organisation working with government, the social sector and the financial community to find new ways of tackling entrenched social problems in the UK. Founded in 2007, Social Finance has raised over £22m in social investment for charities and social enterprises and is the originator of the Social Impact Bond model. [www.socialfinance.org.uk](http://www.socialfinance.org.uk)
- 3) FSE CIC is an independent Community Interest Company providing tailored funding solutions and support for ambitious and innovative small and medium enterprises (SMEs) and social enterprises, to help them achieve their maximum potential. . The Social Impact Accelerator (“SIA”) is a new fund that offers flexibly-structured loan finance of between £200,000 and £1,000,000 to ambitious ‘regulated’ social sector organisations. [www.thefsegroup.com](http://www.thefsegroup.com)
- 4) This deal has benefitted from support from the Cabinet Office’s £20m Investment and Contract Readiness Fund managed by Social Investment Business. For more details, please contact Nandini Das on 0207 842 7724/ [nandini.das@sibgroup.org.uk](mailto:nandini.das@sibgroup.org.uk) <http://www.beinvestmentready.org.uk>