

Breadshare sets up franchise model



Social enterprises appear to be the buzzword in Edinburgh and now Breadshare, a community bakery in Edinburgh has landed investment to franchise its model across Scotland.

The investment, made by former SSE Chief Executive Ian Marchant, has secured Social Investment Tax Relief (SITR) and was facilitated by social enterprise start up agency Firstport.

Breadshare provides organic and nutritious bread and offers a variety of activities to enhance community life in Edinburgh. The bakery, set up by husband and wife team Debra and Geoff, is one of 14 businesses on LaunchMe, Scotland's first accelerator for early stage social enterprises. Delivered by Firstport and funded by Big Lottery Scotland, it is designed to grow the social investment market in Scotland. Firstport identifies the most ambitious, early stage social enterprises in Scotland, provides one-to-one business support and connects them with investors looking for social as well as financial returns. The participants can also apply for matched non-repayable grant funds from Big Lottery Scotland, as well as initial seed funding.

The investment is Mr Marchant's first in social enterprise after hearing about it at an event organised by Firstport. He was attracted by the premise of an investment that could deliver returns on what he describes as his 'triple bottom line' criteria for making investments: economic, impact and interest. *"I have developed my own theory about investment which applies to both time and money. It draws on the triple bottom line theory which is usually applied to companies and*

governments but can, I believe, be adapted for personal use too. For me, an investment social enterprise hits all those three: a modest economic return for an impact on an organisation and an issue facing society in a market or place that interests me. What's not to like".

Last night a growing number of investors gathered at an event in Edinburgh to hear about some of the other social enterprises coming through its LaunchMe programme, including a social enterprise supermarket and a football coaching provider. The gathering is one of a series of events delivered by Firstport to introduce the angel investor community to social enterprise, social investment and SITR- the UK government's tax relief for social investment which encourages people to support social enterprises.

Mr. Marchant describes SITR not so much as an incentive but as "an enabler" which made his decision to invest easier. Being eligible for SITR meant that Breadshare was a credible proposition which had gone through a certain level of screening already. Being a seasoned investor, Mr Marchant carried out further due diligence before making his decision.

"I was looking for my first investment in social enterprise and there were two features about Breadshare that caught my attention: It is based in my home city and it operates in the hospitality industry, a sector that interests me. I asked a trusted colleague with a background in the industry to investigate the opportunity further, and after she gave her the seal of approval, I decided to go ahead with the investment".

The experience has been a positive one and has not ruled out investing in social enterprises again. *"I have already earmarked some funds to invest in the future if the right proposition comes along and have encouraged other investors to explore social enterprise as a part of their investment portfolios".*

Karen McGregor, Chief Executive of Firstport, says: *“We are delighted that traditional angel investors are more aware and getting involved in social enterprise – it’s a significant development for our sector and we hope more investors like Mr Marchant turn their attention to and recognise the exciting potential of social enterprise”*.

“LaunchMe has given Firstport the opportunity to approach and work closely with the angel investor community in Scotland. We have now set up an informal network of investors interested in social enterprise and we will continue to connect ambitious social entrepreneurs with the capital and expertise they need to realise their potential.”