

Boost It

Guidance for Applicants

Introduction

Boost It is a brand new fund to help social entrepreneurs in Scotland to strengthen their businesses so they can successfully increase trading. It is delivered by Firstport as part of the Social Entrepreneurs Fund, which is funded by the Scottish Government.

Boost It is designed for early stage social enterprises (trading for 3 years or less) that require either a higher injection of capital to get the business off the ground, or further financial support to strengthen and sustain trading. The fund is specifically targeting those social enterprises who need to increase their levels of trading, rather than those looking to scale up.

Boost it provides awards between £30,000 and £50,000 through a blended finance model – a repayable grant. This model will allow Firstport to support more social enterprises in the future, as all repayments will go directly to supporting new ideas.

Please read the following guidance carefully before you submit your application.

How Does It Work?

Eligible social enterprises (see: **Boost It Criteria**) submit the following documents:

- An online application form
- Business plan
- Cash flow forecast (three years)
- Pitch summary
- Latest annual accounts (if available)

The strongest applications are then shortlisted to present a ten-minute pitch at an independent panel, which will be followed by twenty minutes of questions. Before the panel, the applicants will be given the opportunity to discuss their proposed pitch with a Relationship Manager.

Successful applicants will be chosen by the panel and notified within a few days. Following a set-up meeting with a Relationship Manager and the requisite reference/compliance checks, the awardee will receive their funding in one lump sum. Evidence of spend will be discussed at the set-up meeting, but Boost It awardees should be aware that, as with other Firstport grants, all spend will need to be evidenced through verifiable receipts and payroll records.

After year one, and only once the enterprise makes a surplus, the repayments begin. The repayments can form a small proportion of the enterprise's profits over three years or come in larger lump sums, depending on the enterprise's needs. There are no repayments in the first year, no interest applied to the repayments, and these repayments will not exceed the value of the original grant.

Boost It Criteria

Applicants to Boost It need to meet the following criteria:

- They are 16 or over.
- They are a permanent resident in Scotland.
- Their enterprise operates primarily for the benefit of people or communities within Scotland.
- The activities of the enterprise do not involve political campaigning or the advancement of religion.
- Profits from the enterprise are reinvested in the business and its social aims. No assets or uncapped dividends may be transferred out of the organization to private individuals or bodies.
- The enterprise is an independent organization and not a project or a subsidiary of an existing body.
- The enterprise has been trading for three years or less.
- The applicant is able to demonstrate a track record / potential of income generation.
- The applicant is able to demonstrate a track record / potential of delivering environmental social impact.

If you are not sure whether you meet these criteria, please call us on 0131 564 0331 or email ray@firstport.org.uk.

How to Apply

Applicants are required to provide the following documents as part of their application:

1. Online application form

This is a straightforward application form designed to collect applicants' primary details and references. You can save your application form as many times as you like before submitting it, and there is no need to complete it in one go. If you are having trouble with the online form, please let us know.

2. Business plan

Your business plan must be submitted as a **PDF document only** and **not exceed 25 sides of A4**. Any additional pages beyond the 25-page limit will not be taken into account. The business plan should clearly state the vision and background of the enterprise, its products and/or services, its income generation and social impact to date, and include both market and competitor analyses.

3. Cash flow projection (3 years)

Your cash flow projections should show us how you see the business progressing over **the next three years**, in terms of the income streams you intend to develop and the expenses you expect to incur. This must be submitted in our **Excel cash flow template** (attached).

We understand that many applicants have already developed their own cash flows, but we need to ensure the projections are up to date and comparable with other applications. You may change the headings in the template to suit your enterprise, but no other template will be accepted. For further advice on completing your cash flow projections, see [Cash Flow \(Additional Guidance\)](#).

4. Pitch Summary

Your pitch summary document must be submitted as a **PDF document only** and **not exceed 2 sides of A4**. The document should summarise the key points from your business plan and should not include information that isn't mentioned elsewhere in your application.

Think of this document as a focused argument for awarding the grant – it should include the background of your social enterprise and your social aims, your trading track record (if applicable), highlight successes to date, why you require Boost It funding and why you should be funded. Remember the panel are looking for social enterprises tackling climate change that can provide evidence of lasting and significant environmental impact.

5. Most recent annual accounts (if available)

Annual accounts should be submitted as a **PDF document only**. They do not need to be audited and are not a mandatory requirement for the application if they are not available.

PLEASE NOTE: Applications will not be reviewed until after the closing date, so please ensure that you have submitted complete supporting documents in the correct formats. Firstport are not responsible for alerting applicants to incomplete applications, and applications that are incomplete at the close of the submission period will not be considered. Once you have submitted your application, you **cannot** make further amendments or submit updated documents.

Cash Flow (Additional Guidance)

Applicants to Boost It – unlike those applying to Build It – will not be able to amend their cash flow projections before the pitching panel, so it is important that the projections are as developed as possible. At shortlisting, the panel will review the cash flow with the following in mind:

Can the business service the repayments?

Your projections should show that your enterprise has the potential to develop into a financially viable and sustainable business. Successful applications will be able to demonstrate that the Boost It award will result in increased trading, which will then allow the enterprise to comfortably service the repayments, either as a percentage of profits (the exact percentage determined initially by the applicant) or as one-off payments.

Has the applicant used the key assumptions effectively?

The assumptions under the main cash flow should be used to clarify anything that may be questioned by a reader. If in doubt, err on the side of caution and provide an explanation or further break down of the figures. Never assume the reader will work it out or come to the same conclusion as you. We should be able to understand the business

Are there clear links between income and expenditure?

For example, increased product sales usually means increased manufacturing expenditure. If the enterprise takes on additional staff (and therefore additional salary expenditure), what is the effect on projected income? The more you know about your income and expenditure, the more accurate you can be.

Are the projected figures realistic?

Sales figures rising by a significant percentage without good supporting evidence in the key assumptions can be seen as unrealistic. Similarly, you should show an awareness of how income and expenditure might vary over the three-year period, and how this might affect the enterprise's overall finances. For instance, if you expect your enterprise to be busier at certain times of the year, can you show a corresponding increase in expenses (such as staff time)? And are you able to cover overheads during quieter periods? A common mistake in applications is “flatlining” – income and expenditure remaining static month after month. While there may be some items that are unlikely to fluctuate – e.g. rent, some direct debits – other costs and income streams will inevitably vary depending on the month.

Is there an opening balance?

Your opening balance should not be left blank or show a zero balance. Use this to show the enterprise's current balance and the key assumptions to reflect how this amount has been generated to date. If your enterprise has a negative bank balance, you should show this and use the assumptions to provide an explanation.

Is the Boost It award included in the cash flow projection?

This is a common mistake. Your cash flow should show the Boost It award (as one lump sum) in the first year and the projected repayment from Year 2 onwards.

FAQ

What can I use the funding for?

Funding of £30-50k can be used toward covering costs that allow you to kick-start or consolidate your trading activities. Examples may include buying stock and equipment or hiring new staff.

Boost It is designed to stimulate trading and social impact, and cannot be used for essential start-up costs such as incorporation or pilot activity.

Why a blended finance model?

After over a decade of delivering the Social Entrepreneurs Fund, we know that £5,000 sometimes isn't enough to get a social enterprise off the ground, especially if it operates in certain sectors that rely heavily on initial capital investment. We have also identified an occasional funding gap after our Build It programme – social entrepreneurs may have realised the potential of their idea and made the leap into full-time employment, but they are still far from achieving sustained trading and have a hesitant attitude towards social investment.

The Social Enterprise Census 2019 results reflect this, showing that many social enterprises are wary of taking on social investment, therefore limiting their potential earned income. We believe Boost It's blended finance model is a perfect introduction to social investment, that not only prepares social entrepreneurs for more significant loan investment in the future, but also allows us to make our funds go further by using repayments to support other new social enterprises.

I currently have a Start It / Build It award. Can I apply?

Yes, you can apply. We cannot award two grants at the same time, however, so you must have already received your second instalment and spent it (and closed off) before the shortlisting process.

I am currently a participant in LaunchMe. Can I apply?

No. Boost It is designed to support social enterprises to increase their levels of trading rather than to scale. If you are already in the process of scaling, your funding needs are likely to be greater than the amount awarded through this fund.

Any other questions? Let us know by calling 0131 564 0331 or emailing ray@firstport.org.uk