



AN INVITATION FROM

JAMES CAAN

WORKING WITH

pennyappeal
small change. big difference

CHARITY NO: 1128341

“Supporting
humanitarianism
through enabling
entrepreneurship”

Adeem Younis

Penny Appeal Chairman

“

It was a spontaneous heartfelt donation that brought Penny Appeal to life. I've learnt first hand that what many of us consider small, insignificant change can, in fact, make a huge difference to people trapped in the vicious cycle of poverty.

I could never have imagined the incredible journey that one small donation would take us on. Transforming millions of lives, helping generations of people escape a life of poverty, working in over 30 countries, raising millions of pounds, employing hundreds of staff and working with some amazing partners - all from our sincere vision to transform small change into a big difference.

At Penny Appeal, we seek to empower everyone to do a little bit more for those in need, that's how we all can be the change that we want to see in the world.

Our award-winning charity has been credited as one of the fastest growing in the faith-led sector. Over the past five years, we've grown from an annual turnover of around £100,000 to now projecting over £22million. With that incredible growth comes the challenge of maintaining an upward trajectory and consolidating our successes and accomplishments.

As Chairman of Penny Appeal, I was honoured to be able to reach out to James Caan CBE and share our journey and vision. With his expertise in understanding growth and scale and his passion for making a positive impact in society, together, we conceived and are proud to present Penny Ventures.

Through leveraging the power of entrepreneurship, Penny Ventures is able to independently and sustainably support the life-saving work underway at Penny Appeal.

It's win-win all round. We are excited to launch our invitation to join the Founding Investors panel and I am looking forward to exploring the details with you in the near future.

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James Caan CBE

Entrepreneur

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For over three decades my passion has been building businesses and backing talented people. Having founded my private equity firm, Hamilton Bradshaw, chaired the Government's Start Up Loans scheme, and joined the panel of investors for the BBC's Dragon's Den, I have dedicated myself to helping establish and grow companies to their fullest potential.

I have been staggered by the extraordinary journey of Penny Appeal. From humble origins, the charity has enjoyed incredible success as it furthers its vision to transform small change into a big difference. I'm honoured to be able to work with Adeem and the multi-award-winning team at Penny Appeal and bring my expertise and

experience to take the charity to the next level. Penny Ventures leverages the phenomenal potential of entrepreneurship for the great causes that Penny Appeal has been dedicated to. It offers a unique approach to humanitarian work while presenting senior business leaders an opportunity to give back by helping nurture budding entrepreneurs in their respective sectors.

Through pooling the resources and expertise of senior business leaders, Penny Ventures offers talented entrepreneurs financial investment and money-can't-buy-mentorship from leading industry experts. The dividends earned by Penny Ventures will help transform millions of lives and does so in a sustainable way.

We are seeking to gather a small group of accomplished business leaders to join Adeem and I as Founding Investors and help springboard Penny Ventures to a flying start.

I look forward to meeting you soon.

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James Caan

Adeem Younis

Penny Appeal

Small change BIG difference

Penny Appeal is an international and domestic relief and development agency offering a range of life-saving humanitarian solutions in over 30-crisis hit countries as well as at home, in the UK.

We have helped transform millions of lives and empowered communities around the globe helping to break the poverty cycle through our simple vision; taking your small change and making a big difference.

Penny Appeal is a twice Guinness-World-Record holder and works closely with leaders, celebrities and globally renowned institutions in the fight against poverty.

With numerous Ambassadors, Supporters and Partners from the Mayor of London to Olympic medallists, over 200 staff in the UK and with the support of over 3000 volunteers, we build wells, care for orphans, deliver urgent medical aid and healthcare, provide nutritious meals, open schools, orphanages, care for the elderly and much more.

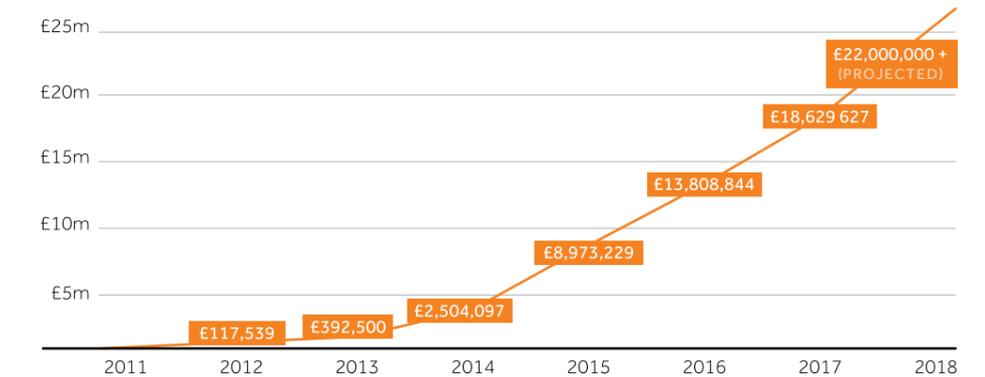
Uniquely, each of our international programmes is twinned with a UK domestic sister project, helping vulnerable individuals and communities in the UK, embodying the timeless value that charity indeed begins at home.



Onwards & Upwards

Our team is made up from the best in the industry and our work has been recognised in the communities we work with right up to the level of Heads of State. Extensive media coverage has also independently captured and highlighted the life-saving work underway both at home and around the world.

This year, Penny Appeal is projecting a £22 million+ income and operates in over 30 countries across the world. The charity also helps people in the UK delivering food and care packs to the homeless, supporting hospices and care homes, running an adoption & fostering programme as well as a Domestic Abuse Counselling service for vulnerable women. Our income gives an indication of just how incredible the growth has been:



After successfully establishing Penny Appeal branches in the USA and Australia, this year we have also opened up in South Africa and soon in Malaysia and Canada too. These are in addition to the various field offices that we work from. We are continuing to grow as we establish new charity shops to add to our portfolio and diversifying our income streams with institutional links to foundations, governments and inter-governmental departments.

The next big challenge we face at Penny Appeal is maintaining our level of growth while also consolidating the accomplishments we have achieved thus far.

Penny Ventures

Vision: “Sustainable humanitarianism through enabling entrepreneurship”

In a nutshell: Penny Ventures raises and manages an investment fund dedicated to a number of specialist sectors.

Each of these sectors are overseen by a Founding Investor who has committed financial resources into the fund. Once identified and rigorously scrutinised, budding entrepreneurs are supported by Penny Ventures and mentored by an industry expert in that respective sector. The dividend and capital gains paid out by the new companies to Penny Ventures will be donated exclusively to Penny Appeal to support their lifesaving humanitarian work at home and abroad.





Become a ‘Founding Investor’

A Truly Unique Investment Opportunity

Penny Ventures is looking for a limited number of senior business leaders to become “Founding Investors” through an investment of £100k.

Founding investors have the unique opportunity of funding new or existing businesses to launch or grow. Their initial investment will be repaid over 3-5 years through the future success of the entrepreneurial seeded business ventures, with profits / dividends used to contribute to Penny Appeal changing the lives of thousands of people worldwide. Founding investors ultimately facilitate sustainable humanitarianism at the highest levels.

“We invite you to give a gift that keeps giving and build a true legacy.”

Benefits of being a Founding Investor

- Join the exclusive Executive Panel of Penny Ventures
- Be credited as one of the founders of Penny Ventures
- Be at the heart of exciting entrepreneurial growth related to your sector
- Help local communities and economies
- Involvement in press and PR activity associated with this unique fusion of entrepreneurial and philanthropic worlds
- Brand alignment with Penny Ventures, James Caan CBE and Penny Appeal (subject to discretion)
- Make a socially conscious contribution that supports both budding entrepreneurs and the most vulnerable individuals and communities in the UK and around the world

Commitment required of Founding Investors

- £100,000 (minimum) contribution to be utilised in a draw-down method
- Quarterly review of potential and existing business investments
- Scrutinise and offer feedback to investment opportunities aligned to your sector
- Commitment to mentor entrepreneur(s) whose businesses are aligned with your area of experience and expertise
- Attend annual gala dinner and celebration
- Contribute to press and PR activity around Penny Ventures

What Investors Need to Know

A Truly Unique Investment Opportunity

How hands on are James, Adeem and the Founding Investors?

Aside from pre-planned media activities, ongoing support for the new joint ventures will primarily be provided by the Investment Manager who will also help assist the Founding Investor who has been chosen as a mentor. Founding Investors will be involved in the final approval of each investment and all investments will be reviewed quarterly.

How will Penny Ventures and James's brand be leveraged for the new joint ventures?

Where available James Caan and Penny Ventures will facilitate their brands to be leveraged to promote the launch of each new business. James's key role will be to leverage his brand in attracting potential entrepreneurs to Penny Ventures. As the 7th most followed influencer on LinkedIn, James will use his extensive network of contacts to drive new investment opportunities, alongside Penny Ventures.

How do we sign off each investment?

Applicants are invited to apply for funds using the agreed investment criteria. Once accepted they will go through an initial interview process with Penny Ventures' Investment Manager. If shortlisted, they will have the opportunity to pitch in person to an investment panel comprising of the Investment Manager and two Founding Investors (sector specialists) that will be involved in qualifying pitches most closely aligned to their expertise and experience.

How involved is everyone in the investment process?

This will be driven by the volume of applications, however, the Investment Manager and at least two Founding Investors will be involved in the final approval of each investment. During quarterly updates, all investments will be reviewed. Founding Investors are requested to mentor at least one entrepreneur (supported by Penny Venture's Investment Manager) to ensure they are progressing, the business strategy is on course and the investment is growing.

What should we be wary of when reviewing new investments?

Penny Ventures will cast a wide marketing net in order to find the best possible entrepreneurs to join the fund. Beyond the standard investment criteria outlined and agreed by the board, all business plans must be ethically sound and thus sensitive to the guidelines of the Islamic faith.

What are the key challenges we'll face when finding and launching new companies?

The most difficult part of the process will be finding the right entrepreneurs with commercially viable ideas and the attitude to succeed. Turning people down and providing constructive feedback will be carefully managed to ensure positive outcomes for all parties involved.

Who is the main point of contact for any Penny Ventures queries?

The Investment Manager will be the first point of contact for all Penny Ventures company queries.

Will my association be viewed positively?

Put simply, yes, overwhelmingly so. The multi-award-winning charity Penny Appeal is renowned for its incredible success in transforming small change into a big difference. The charity provides an excellent, neutral and professional conduit for raising funds and facilitating life-saving humanitarian work across the world and here in UK.

Alongside the leadership of Penny Appeal, serial entrepreneurs James Caan CBE and Adeem Younis will also be steering Penny Ventures to soaring heights. James brings with him a lifetime of business growth and investment experience, having helped start over 28,000 new businesses whilst Chairman of the Government's Start Up Loans company and been featured on BBC's hit show Dragon's Den. James brings added security and profile to your investment, raising the reputation of any company or individuals involved in Penny Ventures while also ensuring your contributions are leveraged to their fullest potential.



Benefits for Entrepreneurs

Why Should They Choose Penny Ventures?



Entrepreneurs may be keen to approach a number of investors or funding pots; however, Penny Ventures offers more than just financial investment. Beyond the brand affiliation and support of James Caan CBE, Adeem Younis and their respective teams, Penny Ventures offer entrepreneurs a full business incubation experience. Entrepreneurs will have access to globally renowned business leaders as well as a fixed point of support through Penny Venture's Investment Manager.

Philanthropic Profits

When Penny Ventures invests in a company, the very ethos of the business is transformed into one whose profits directly support philanthropic causes across the UK and the world. Whatever percentage Penny Ventures invests in the company represents the percentage of potential company profit that goes towards helping needy and vulnerable people and communities. This offers companies a unique competitive edge and incredible PR opportunities.

Funding

Whatever the hopes are for a business, we will work with entrepreneurs to ensure they have access to the funding they need to fully realise the potential of their business. Penny Ventures' Founding Investors will have each personally invested their time and money alongside the entrepreneur; that's why we're selective about who we invest in, and when we do invest, we're all committed to success.

Mentoring

Growing a successful business isn't just about money. Starting a business can be lonely and frustrating and no one person can be an expert in everything. Our Founding Investors will form a team of specialist business mentors who are able to advise on strategy, financial planning, leadership, talent attraction, training, structuring teams, incentivising and building a business for growth.

Shareholder value

James Caan alongside the Penny Ventures board have significant experience in helping businesses achieve substantial equity value. Building a company that everyone can be proud of is our first priority. We will also help ensure we create future shareholder value to reap the right rewards if and when the time comes to exit.

Support

Each of the companies Penny Ventures invests in will have a dedicated Investment Manager who is there to support the entrepreneurs through every step of their business journey. They will act as the first port of call on behalf of Penny Ventures ensuring the investment is protected and the companies are well on their way to achieve their targets.

Brand Association

Entrepreneurs will proudly be able to boast and leverage the brand associations that come with an investment from Penny Ventures. Entrepreneurs that receive funding will have demonstrated the will to win, having had their business plans scrutinised by senior business leaders including James Caan CBE himself. The Investment Manager will guide companies on how best they can utilise the associations to maximise the company's success.



What your investment means

“Penny Ventures brings together the best of the business world and the best of the philanthropic world to create great businesses that achieve great things and leave a sustainable legacy.”

What The Investment Process Looks Like



Search

Applications (ongoing)

Companies and individuals will be able to apply directly to Penny Ventures website

Campaign (quarterly)

Design and launch of quarterly campaigns initially targeting those based in the North of England and subsequently rolled out nationally

100 - 400
Applicants

Selection

Assess (monthly review)

Monthly review of all applications that qualify in accordance with the investment criteria (TBD by investors)

Re-investment engagement (rolling)

Structured process leading to investment

30 - 50
Selected

Screening

Investment process (ongoing)

Relevant investment panel evaluates, interviews and completes due diligence, to further qualify all potential investments

Board meetings (quarterly)

Review the portfolio of investments and approval of new investments

20
Final Shorlist

Investment

Investment programme (ongoing)

Finalising the opportunity, negotiation, documentation and closing the investment.

Assignment of a dedicated investor mentor to work with the investee long term

10
Secure Investment

Where the money goes

Penny Ventures primary staff member, the Investment Manager, will be appointed as Investment Director to each of the companies that Penny Ventures invests in.

Cash from our Founding Investors will be invested into our chosen companies on a draw down basis in the form of equity and a loan repayable to Penny Ventures.

Of the expected dividends and capital gains, Penny Ventures will claim staffing costs and associated expenses after which a proportion of earnings will be retained for reinvestment into future ventures. Initial staffing costs and expenses will be drawn from the fund with a view to replace it from earnings in due time.

The remaining and significant majority of earnings will be exclusively passed on to Penny Appeal in support of their industry leading humanitarian work.

Management fees will not be charged by James Cann CBE, Adeem Younis or any of the Founding Investors. There is no financial gain, directly or indirectly for any of the investors. Their contribution is purely philanthropic. Any conflict of interest with a Founding Investor and a new joint venture will preclude the involvement of that Founding Investor.

Penny Appeal is the sole owner and beneficiary of the profits earned by Penny Ventures.





PR and Media Strategy

We envisage press interest to be high and ongoing once the initial Founding Investors have been identified and their investment secured. Press releases will be prepared on behalf of each of the Founding Investors, Penny Appeal and James Caan CBE and will be distributed to local, regional and national media outlets in a phased approach.

We will launch the fund through an exclusive gala dinner which will include press, allowing the media to meet and interview the Founding Investors alongside James Caan CBE and Adeem Younis.

Press involvement will be tailored to local areas as well as target industry relevant media. Founding Investors will also benefit from promotion via James Caan's social media platforms and via his numerous public speaking engagements.

James' history of backing entrepreneurs

James has a track record of investing in individuals and creating successful businesses which lead to highly profitable exits for investors.

Case Study 1

Invested

James made an investment in a startup accounting and payroll solutions company backing the founding entrepreneurs.

The investment was made in September 2014 in the form of a loan, for a total funding commitment of £76k, in return for 40% equity share.

Developed

The company quickly grew, opening a second office in London and achieving annual revenues in excess of £150k by March 2015.

Of the total funding commitment, only £33k was required to be advanced to the company. This loan was returned to investors in July 2015, less than 10 months after the initial investment.

Exit Achieved

James' investment was sold back to the Founders of the company in two stages, over the course of two years.

At the point of sale the company was valued on average at £682k. The sale was completed in May 2016, achieving an overall profit in excess of £240k to James, achieving a 8.3x multiple for investors.

Case Study 2

Invested

James, working with the two Founders, funded a start-up that holds a select portfolio of companies that specialise in prime real estate services, luxury interior design and furnishings for some of the world's leading businesses, institutions and private clients.

The investment was made in 2013 in the form of a loan for £161k, in return for majority stake in the company.

Developing

The collaboration enabled the company to exceed trading expectations from its very first months and quickly grow into a unique portfolio of brands.

Taking advantage of the company's success, the investment loan of £161k has now been fully repaid.

The Group is making annual sales in excess of £10m, annual profits in excess of £500k and continues to grow and increase in profitability.

Planned Exit & Returns

Based on the company's current profitability and the company's estimated valuation, James' stake is worth c.£2m.

A future exit is possible through a sale of the equity to the other two Founders via an MBO or a seed sale to a private equity buyer. In addition to the potential sale, James is expecting to start receiving annual dividends of £100k per year.



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Contact: info@pennyventures.com