

GLL is the UK's largest charitable social enterprise delivering leisure, health and community services

- We were established 21 years ago with seven leisure centres and now manage over 150 public leisure centres and libraries.
- We have over 500,000 members and 40m visitors a year.
- We work with over 35 local councils, public agencies and sporting organisations.
- We employ a diverse workforce of over 6,500 and are owned by our workers.
- In 2013 we generated annual income in excess of £133m and a net surplus on ordinary activities of £4m, with net assets of £11.5m. Estimated T/O for 2014 will exceed £155m.
- We have 21 years of successful trading and continuous growth
- We are staff led.

Our charitable social enterprise model shows how community facilities can be successfully managed for the benefit of both customers and the wider community by re-investing surpluses into outreach activities.

Our mission is to make an active lifestyle available to all

- We want to increase sport and leisure participation, particularly amongst under-represented groups in the communities we serve.
- We specifically target people who by reason of age, infirmity, disability or social and economic circumstances face barriers to inclusion.
- In so doing, we aim to improve the health, social welfare and educational prospects of all members of our communities.



Our philosophy

THE FOUR PILLARS



‘Getting it right’ first time. Continually striving to be the best. Work to exceed expectations consistently and ensure value-for-money. We want to be known for being reputable, personable and engaging with our customers.

We believe a better person is passionate, active and inclusive. They have self-belief, integrity, care about our social agenda and are committed to service and excellence.

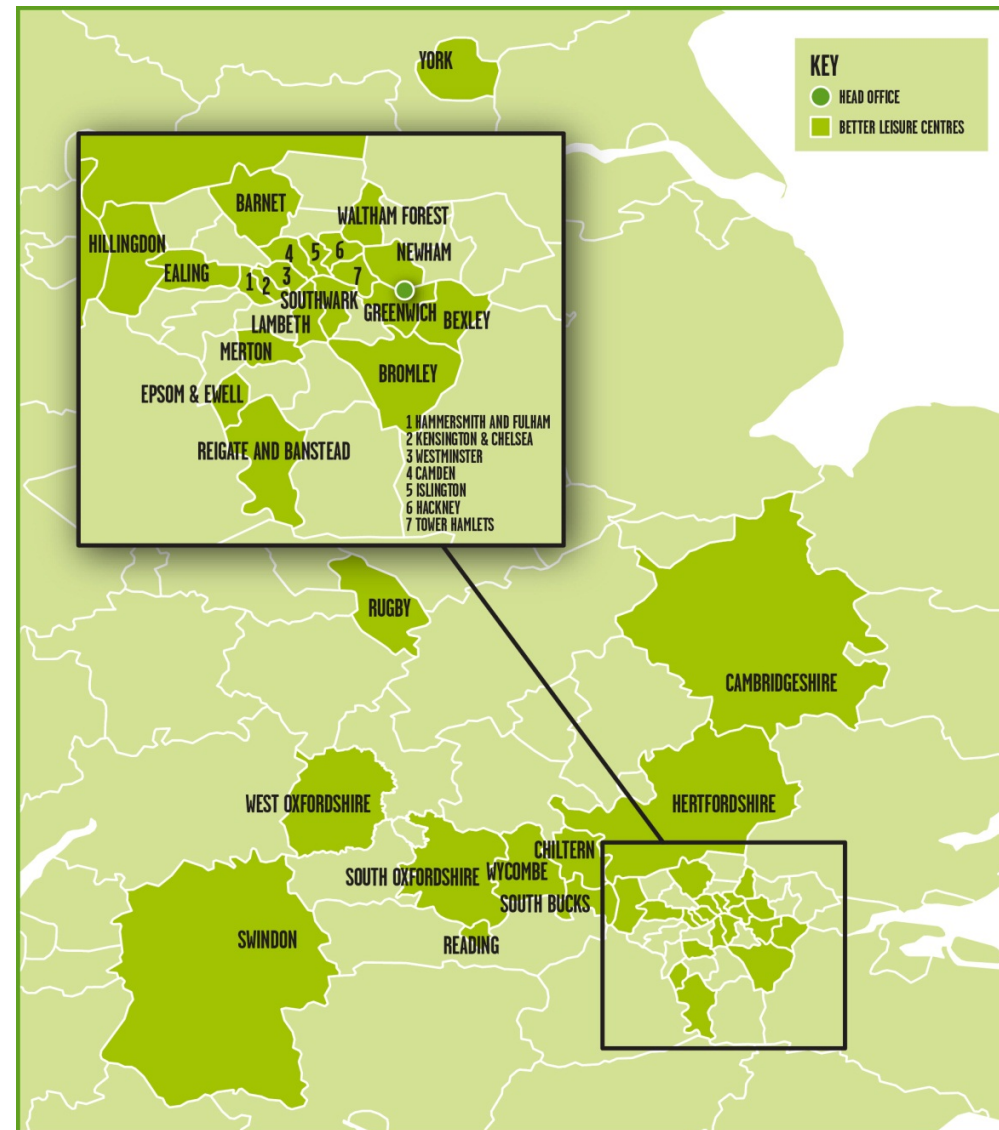
We’re about community engagement, accessibility, affordability and partnership working. We stand for being charitable, inclusive and for bringing social benefits. We’re dedicated to improving the health and well-being of local communities for future generations.

Innovative, stable, ambitious and performing at the top of our game. We seek to be trustworthy, sustainable and affordable. Through a combination of sound investment and working in partnership, we’re always striving for success in all that we do.

Growing nationally...



GLL
better for everyone



Supporting our growth – raising capital

- Up to 2013, most capital finance was raised through trading revenues.
- Decision was taken in early 2013 to raise £5m to support the speed of growth (T/O £123m in 2012; £133m in 2013; projected to be £155m in 2014)
- Raising capital finances can be challenging for an organisation such as GLL as we have limited tangible assets to secure loans against.
- Met with Triodos Bank in early 2013 who introduced the concept of raising a social Bond

GLL 2013 bond issue

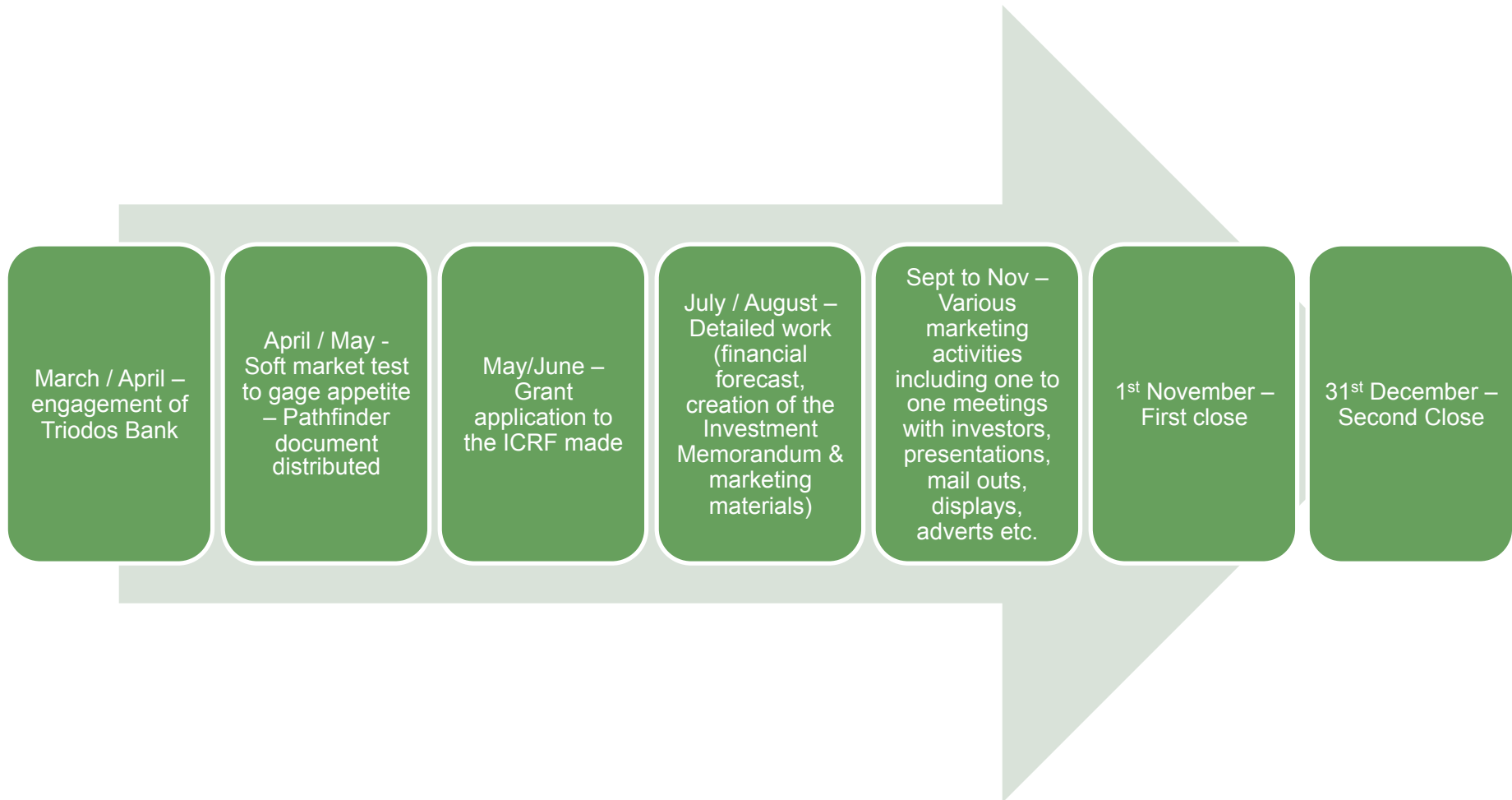
Features of the 2013 bond issue	
Target amount	£5 million
Term	5 years, repayable 31 October 2018
Interest rate	5% fixed gross yield, payable annually on 31 October in arrears
Security & covenants	Unsecured and supported by net asset and bond interest cover covenants
Use & social impact	Development of specific community sports and leisure facilities for the health and educational benefits of all, particularly disadvantaged groups
Minimum investment	£2,000 (£200 for GLL employees)
Timetable	Launched 16 September, 1 st close 1 November 2013; 2 nd close 31 st Dec
Tradability	A secondary trading platform will be provided through Ethex

Bond proceeds were invested to further deliver our social mission

- To restore the Royal Greenwich Lido, Charlton, a heritage facility in South London for community benefit: c. £2m.
- To deliver our sport and social legacy commitments, including helping to transform the Olympic Aquatics Centre and Copper Box Arena for the benefit of the host boroughs and the wider London community: c. £2.3m.
- To develop the Sidcup and Romford health & fitness facilities and make them accessible and inclusive for everyone : £1.5m.

Total capital needs of £5.8m: £5m was raised through the bond with the balance coming out of accumulated cash.

The journey...



Result & reflection...

- Bond Fully subscribed thanks to a late Institutional Investor.
- 50 / 50 retail and Institutions
- Without the grant from the ICRF, the process would have been expensive, maybe too costly?
- Very time consuming. The effort needed should not be underestimated.
- Institutions warming up to this type of investment but there remains some nervousness.
- Some institutions although interested were unable to participate because of their own strict restrictions or because the timing did not suit.
- Having 2 close dates was necessary... You need a short timescale for retail but a longer one for institutions because of Board meeting cycles.
- Institutions want an “attractive” outcome from their investments.. Something to showcase...

