



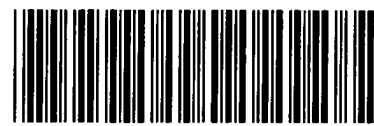
Social Investment Business Foundation

Annual report and Consolidated Financial Statements

Year Ended 31 March 2019

**Company Number 5777484
Charity number 1117185**

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Social Investment Business Foundation

Report and financial statements
for the year ended 31 March 2019

Contents

Page:

1	Directors' report
9	Independent auditor's report
12	Consolidated income statement
13	Consolidated balance sheet
14	Consolidated statement of cash flows
15	Notes forming part of the financial statements

Directors

Rt Hon Hazel Blears (Chair)
Hugh Rolo
Jim Rice
Jeremy Newman
Jenny North
Richard Pelly OBE

Secretary and registered office

Nick Temple
Can Mezzanine, 7-14 Great Dover Street, London
SE1 4YR

Company number

5777484

Charity number

1117185

Auditors

BDO LLP, 2 City Place, Beehive Ring Road, Gatwick
West Sussex, RH6 0PA

Social Investment Business Foundation

Directors' Report for the year ended 31 March 2019

1. Report of the Board of Directors

The Board of Directors of Social Investment Business Foundation (SIB Foundation) present their report together with the audited financial statements for the Group for the year ended 31 March 2019 in accordance with the Companies Act 2006 and the Company's governing documents. These statements have been prepared under the Guidelines in the Accounting and Reporting by Charities: Statement of Recommended Practice, 2005 (Charities SORP).

2. Objectives and Activities

The objects of the Charity are to promote for the public benefit all purposes as are recognised as charitable under the laws of England and Wales including but not limited to:

- supporting community organisations in areas of social need that are charities and the charitable activities of other community organisations, including by provision of advice, support and assistance; and/or
- the making and the promotion of social investments by means of loans, grants, guarantees, equity, near equity or other financial interventions or assistance to charities or for charitable purposes, including but not limited to supporting community organisations operating in areas of social need; and/or
- promoting the efficient and effective application of charitable resources by those charities and for charitable purposes by the provision of financial advice, support and related assistance to charities and for charitable projects in relation to such loans, grants, guarantees, equity, near equity or other financial interventions and social investments.

SIB Foundation is committed to helping impact-led organisations improve people's lives. We aim to do this by:

- providing the money and support they need directly
- providing a platform for partners to support them
- using our knowledge to inform our own work and influence others

All our activities are underpinned by:

- aiming to maximise the impact we can have with the resources we have
- placing our customers at the heart of the business

Our five core values inform our relationships with the charities and social enterprises we work with and how we operate:

- Put People First
- Curious
- Bold
- Collaborative
- Accountable

SIB Foundation manages the Adventure Capital Fund and the Communitybuilders Fund, both of which invest in community based social enterprises. SIB Foundation is the parent company of Social Investment Business Limited (SIB Limited), which holds and delivers fund management contracts on behalf of third parties, including Government departments, Futurebuilders England Limited (FBE), which holds the assets of the Futurebuilders and Modernisation Funds. SIB Foundation is also the parent company and sole shareholder of Forward Enterprise FM Ltd, a company limited by shares. Forward Enterprise FM Ltd, was established in March 2018 with the sole purpose of making investments in enterprises working with or being led by ex-offenders or people in recovery from addiction and creating employment opportunities for people from these communities. Collectively the group of companies is referred to as Social Investment Business (SIB).

The Foundation is also a shareholder and investor in Social and Sustainable Capital (SASC).

Social Investment Business Foundation

Directors' Report for the year ended 31 March 2019

3. The Group's specific strategic priorities for the year 2018/19 were:

1. Putting our customers at the heart of everything we do
2. Being an active and innovative intermediary
3. Being recognised as a knowledge base and an advocate for what impact-led organisations need
4. Building a stronger business model and finances
5. Investing in our people and systems to help achieve excellence

How did we do?

This section of the report details the progress we made against our five strategic priorities for the year.

3.1 Putting our customers at the heart of everything we do.

During the year we agreed a new customer engagement strategy and have started to look at improving different aspects of customer service including our enquiry line activity and our complaints process. We are also exploring new ways of working with customers through initiatives such as the East London Impact Fund which piloted new ways of making applications (by video) and is seeking to co-design and collaborate with customers on the package of funding /investment and support available.

We are also including the perspective of our customers as part of a review of our governance structure and framework and seeking to include customers more actively in our board and team sessions.

We have moved away from a detailed annual, retrospective customer survey to a shorter survey that can be asked at more regular intervals throughout the year. The intention of this is to have more live, usable, active data that allows us to learn and respond to feedback quickly. Since November 2018, a short four question survey has been used on all programmes and funds. We are pleased with the results and feedback we are gathering with this new approach and have started to use them to identify what is working well, what isn't and how to address the latter.

3.2 Being an active and innovative intermediary

Some highlights of activity during the year under this priority include:

- The launch in April 2018 of the Forward Enterprise Fund, a £2m social investment fund that supports individuals, charities and social enterprises run by, or creating employment opportunities for, ex-offenders and people in recovery from addiction. The fund is a partnership between Social Investment Business and The Forward Trust backed by Access – The Foundation for Social Investment, the National Lottery Community Fund and Big Society Capital as part of their wider Growth Fund initiative. So far four investments have been agreed with a total value of £265,000.
- Four investments made from the Pioneer and Prosper Fund. This fund was one of the successful proposals from our Staff Challenge initiative in 2017. It is a two-year pilot programme that will support a small number of ambitious charities and social enterprises with a repayable grant and help them to increase their social impact, raise investment, grow their business and become more financially resilient.
- Another successful Staff Challenge proposal, Diverse Ambitions, a support programme to widen access to social investment for black, Asian, and minority ethnic led organisations, was launched in March 2019. The programme starts with an initial health check with the organisations followed by support work tailored to their individual needs.
- A re-allocation of £2m to SASC's new Housing Fund from the undrawn element of SASC's Community Investment Fund. This new fund due to launch in April 2019 will enable charities and social enterprises to purchase residential property and provide quality homes, providing those organisations that rely on housing as integral to their support the benefit of long-term asset ownership.

Social Investment Business Foundation

Directors' Report for the year ended 31 March 2019

- We were successful in our bid to deliver the second phase of the Reach Fund, an independent grant programme that helps charities and social enterprises raise investment. The programme is funded by Access – The Foundation for Social Investment. The results of the research and surveys conducted for the first contract are extremely positive and we look forward to this continuing in the second contract.
- We have also been delivering the Access' pilot Enterprise Development Programme which provides a broad range of support for charities and social enterprises in England helping them make a transition to new enterprise models or grow existing ones. The pilot phase is aimed at organisations that operate in the homelessness and youth sector. The programme is being run by several partners:
 - Homeless Link, UK Youth and the Centre for Youth Impact provide sector expertise and access to their networks
 - School for Social Entrepreneurs provide peer learning opportunities for both sectors
 - SIB is managing the grants element of the programme

3.3 Being recognised as a knowledge base and an advocate for what impact-led organisations need

During the year we provided a project management and secretariat function for the Implementation Taskforce which is aimed at 'growing a culture of social impact investing in the UK'. This work has helped us to build strong networks and key relationships of influence and we hope to remain involved in this work throughout 2019.

Research

Our Learning and Influence team were involved in several research and impact related activities during the year including:

- Development of SIB's own impact manifesto and methodology with a focus on six key areas that we believe support an organisation to be impact-led: business model, employment, market, community, equalities and leverage.
- A review to help inform Power to Change on their potential role and future after its planned closure in 2022.
- Research for Healthy London Partnership on developing a dedicated health fund for London.

We also published two externally commissioned research reports:

Match Points: A research summary of mergers among charities and social enterprises.

What a Relief! A review of Social Investment Tax Relief (SITR) for charities and social enterprises.

This report garnered significant attention from relevant sector stakeholders, including government – and is well-timed as SITR is under review. We are discussing what our role might be in pushing improvements in policy and practice with partners.

3.4 Building a stronger business model and finances

During the year we started to develop our business model through a three-pronged strategy, based on partnering, investing and influencing. This approach has enabled us to successfully diversify our income streams through new business won such as external research (see above) and by providing a platform for disbursing money from key partners such as Access Foundation and investing money via such new initiatives as the Forward Enterprise Fund and Pioneer and Prosper (see above).

Three new areas of business activity were also secured towards the end of March:

- In March 2019 we were formally announced as a partner on a successful bid led by Impetus PEF to deliver the £200m Youth Endowment Fund on behalf of the Home Office. SIB will provide grant management services for the fund. The Early Intervention Foundation is also a partner on the bid. Over its 10-year lifetime, the Fund will deliver transformative change by focussing on those most at risk of involvement in youth violence, diverting young people away from becoming serious offenders. We are delighted to be a partner on this initiative given the potential for it to deliver significant long-term impact in an area of major concern.

Social Investment Business Foundation

Directors' Report for the year ended 31 March 2019

- We were also pleased to be a partner on a successful bid to run the Northern Cultural Regeneration Fund – a £3.1m arts and culture social investment fund (£3.1m). The Fund, run by Key Fund in partnership with SIB and Creative United, will provide blended finance to impact-led organisations in the Northern Local Enterprise Partnership areas. SIB's responsibility will be to broker deals and manage investments in the North East.
- In 2019/20 SIB will start to deliver Re-Plan. Re-Plan is a capacity building support service to support the transition from capital building projects to trading social businesses. It is initially funded for 3 years by the Architectural Heritage Fund (AHF), National Lottery Heritage Fund, Historic Environment Scotland and Historic England. The support programme will sit alongside the AHF's new £7m Heritage Impact Fund.

3.5 Invest in our people and systems to help achieve excellence

People

Led by our Head of People and Values, work during the year focused on developing and implementing a people strategy with the aim of attracting, retaining and rewarding great talent to support delivery of our overall strategy. This work builds on and draws from the values we agreed in 2017/18. The three elements of the strategy include developing our culture, attracting and retaining an engaged, highly skilled, motivated and rewarded team and building a strong leadership culture where management act as role models to demonstrate our values and behaviours.

Work has already begun against many of these areas in the past 12 months – new hires have added strengths to areas that are key elements of the strategy, e.g. learning and influence and business development; public commitments have been made to diversity and in reporting (gender pay gap); learning and customer work is progressing, e.g. the successful transition of two Staff Challenge ideas into implementation. We will continue to monitor employee engagement via our employee surveys and tracking overall employee turnover.

Systems

Work continues moving our data and processes from old legacy systems to new fit-for-purpose systems including Salesforce and Spring CM. We successfully moved our day to day IT systems to Office 365 from a remote desktop system, greatly improving the reliability and flexibility of our business systems.

We also achieved compliance with the new GDPR legislation and have initiated an ongoing programme of training for staff to ensure that we maintain the required standards. We were successful in achieving Cyber Security Essentials accreditation for a further year. Our ISO 9001:2015 certification was also assessed twice during the year.

4 Future Developments

The Board have agreed five overarching strategic priorities for 2019-22. They are:

1. Putting our customers at the heart of everything we do
2. Being an impactful investor and support provider
3. Influencing and shaping the landscape to be more effective
4. Building a stronger operating model and overall long-term finances
5. Investing in our people and systems to help achieve excellence

We will seek to achieve these priorities in 2019/20 and deliver impact through investing, partnering and influencing. Key activities under these headings are likely to include:

- Developing and starting to use a framework to decide on areas for fund development
- Further development of strategic partnerships, particularly those that will make social investment more customer focussed
- Strengthening our data and evidence base including leading work on a Social Investment Data Hub aiming to consolidate retrospective data shared by up to six social lenders and a full data set of 3500 closed deals.

Social Investment Business Foundation

Directors' Report for the year ended 31 March 2019

- Developing and publishing more supporting detail about our approach to impact.
- Reviewing our current governance model, structures and practices to ensure they support achievement of our strategic objectives and ambitions.

5 Main Strategic Risks

SIB maintains a risk register which identifies the key strategic risks facing the organisation. This register is a working document and is discussed and reviewed at the Executive Group meetings and by both the Audit and Finance Committee and Board. The risk register is updated to reflect recent operational and financial developments, strategic objectives and changes in the external environment. Each risk is analysed according to its perceived potential impact, likelihood of occurrence together with actions taken in mitigation.

At the time of the publishing of this report the risk register lists six main areas of concern, these are as follows, with associated mitigations:

- Performance of our **investment funds** and those that we manage for others
>> mitigated by clear provisions policy & scrutiny of investment committee
- Having a clear approach to **impact** and embedding it in our activity
>> mitigated by new Director role, methodology development
- Diversifying income to build a resilient **business model**
>> mitigated by new business, multi-year contracts, fund development
- IT & business **systems** infrastructure
>> mitigated by ownership at senior level, clear strategic systems plan
- Having a highly motivated and skilled **staff** team
>> mitigated by dedicated people strategy, including culture and structure
- Engaging properly with our **customers**
>> mitigated by quarterly customer surveys, customer panel and dedicated plan

The Directors are satisfied that there are procedures in place commensurate with these key risks to prevent or manage their effects. These procedures include the active monitoring and updating of control systems and procedures to ensure we are managing and taking appropriate action. Where appropriate, financial provision will be made on the balance sheet, reserves set aside, or financial plans updated.

6 Going Concern

The Directors consider it appropriate to prepare consolidated financial statements on a going concern basis.

They consider the cash and reserves position of SIB Foundation to be sufficient to support the charity for at least 12 months from the date of signing these financial statements considering both the funds of SIB Foundation and the Communitybuilders endowment.

Both the Directors of SIB Foundation and SIB Limited consider the cash and reserves positions of those companies to be sufficient to support the relevant company for at least twelve months from the date of signing these financial statements. Based on this information they continue to adopt the going concern basis in preparing the consolidated financial statements.

7 This year's performance

The Statement of Financial Activities (SOFA) shows that the Group made a deficit for the year of £6,723k (2018: £8,220k) which includes an accrual for repayment to DCMS of £4,205k. Overall, a £1,497k improvement on deficit.

Social Investment Business Foundation

Directors' Report for the year ended 31 March 2019

Overall income decreased by £335k to £3,417k (2018: £3,752k) and expenditure decreased by £4,409k to £8,178k (2018: £12,587k), this saving is mostly due to the lower DCMS payment accrual against previous year.

8 Reserves Policy

The Board has ultimate responsibility for ensuring SIB Foundation has an effective Reserves Policy, with these principles also applied to Group companies. The reserves policies are established to ensure that each company has adequate reserves and/or retained profits to meet the current and future needs of the Group business, whilst taking into consideration the requirements of the individual subsidiaries and ensuring they comply with the Companies Act 2006 and the Charities SORP. The policies are reviewed each year.

The policy is to balance the goal of sustainability with the aim of being efficient as a not-for-profit organisation. Decisions on the appropriate, sustainable levels of reserves will be informed by a combination of short-term working capital requirements, projected levels of operating costs, estimates of contract exit costs and availability of funds for new business development. The reserves are to be held in cash or cash equivalent securities.

SIB Foundation's reserves policy stipulates that the cash and reserves position is to be sufficient to cover a minimum of 6 months operating costs and to enable SIB Foundation to develop new initiatives in support of its charitable objects. The Trustees have agreed a target reserves of £1.5m to £2m to support this. At the end of the year, the Group's cash and free reserves totalled £2,053k (2018: £1,681k).

9 Treasury Investment Policy

SIB Foundation and the Group as a whole, operate a Treasury Management Policy, based on four key criteria of Security, Business Needs, Ethical and Influence. Applying these criteria means that investments are protected, access is facilitated, and funds are used to support social or environmental benefit and for SIB to build relationships in the sector and influence banking attitudes to social enterprise.

SIB Foundation has a number of bank accounts across which funds are deposited to spread risk, our policy limits a maximum of £10m in any individual bank which must be AA rated in line with our key principle of security for our assets. These limits were last reviewed and agreed at the Audit and Finance Committee on in October 2017.

We hold assets on behalf of funds that are not our own. We have significant amounts of money held in cash, because this money can be called upon to be disbursed or returned to its owners at short notice.

10 Structure, Governance and Management

(a) Background and Legal Structure

The Group is formed as follows:

SIB Foundation – the ultimate parent company, a charity and company limited by guarantee

SIB Limited is a private company limited by guarantee and a subsidiary of SIB.

SIB Limited is the sole member of FBE, a private company limited by guarantee.

Forward Enterprise FM Ltd is a private company limited by shares, with SIB Foundation its sole shareholder.

(b) Governance and Decision Making

The governance structures and decision-making processes for all the companies in the Group are laid out in the relevant articles of association.

Social Investment Business Foundation

Directors' Report for the year ended 31 March 2019

SIB Foundation is governed by seven members of the Board of Directors. During the year the following Board Sub-Committee Structure was in place:

SIB Foundation Investment Committee
Group Audit & Finance Committee
Group Remuneration Committee
Impact Committee

SIB Limited has a Board comprising seven Non-Executive Directors, these govern SIB Limited, Forward Enterprise FM Ltd and retain governance rights and a supervisory role over FBE. FBE's Board of Directors is the Executive Senior Management Team of SIB Limited. Forward Enterprise FM Ltd has a Board of three Directors drawn from the SIB Foundation Board.

For the Group we also ensure that governance and decision-making processes are in line with and enable us to meet contractual obligations set in all agreements with external parties.

The Directors delegate the day-to-day management of the Group to the Executive team. The Executive team throughout the year were:

Nick Temple	Chief Executive
Caroline Forster	Deputy Chief Executive (resigned 29 March 2019)
Rob Benfield	Director of Enterprise and Development (from January 2019)
Gen Maitland Hudson	Director of Learning and Influence (from October 2018)

Details of the Directors who served during the year and to the date of signing the financial statements are shown on contents page of this report. Five Directors are also Directors of SIB Limited.

Each member agrees to contribute £1 in the event of the charity winding up. The remaining Founder Member, Locality, has the right to nominate a representative to sit on the Board of Directors.

The Directors are committed to ensuring that the Boards have the combination of skills necessary to support the effective provision of finance to charities and community enterprises. We will ensure that our Board of Directors includes skills and expertise in the following areas: banking and investment, community regeneration and social enterprise, business, commercial law and financial and risk management.

(c) Public Benefit Statement

The Directors have considered the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. We are mindful of the need to ensure that all funds and activities will deliver public benefit and help us to meet our aims and objectives and are also taking account of Charity Commission guidance around non-charitable organisations.

The Directors have a duty to include in this Annual Report a statement on the Charity's public benefit and demonstrate that:

- They are clear about what benefits are generated by the activities of the Charity; and
- The benefits and beneficiaries are related and appropriate to the Charity's objects and aims.

We have set out under 'Objectives and Activities' above how we deliver public benefit against our charitable objectives.

(d) Fundraising statement

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. Although we do not undertake widespread fundraising from the general public, the legislation defines fund raising as "soliciting or otherwise procuring money or other property for charitable purposes." Such amounts receivables are presented in our accounts as "voluntary income" and includes legacies and grants.

Social Investment Business Foundation

Directors' Report for the year ended 31 March 2019

In relation to the above we confirm that all solicitations are managed internally, without involvement of commercial participators or professional fundraisers, or third parties. The day to day management of all income generation is delegated to the Executive team, who are accountable to the Directors.

The Foundation is not bound by any undertaking to be bound by any regulatory scheme and the Foundation does not consider it necessary to comply with any voluntary code of practice.

We have received no complaints in relation to fundraising activities. Our terms of employment always require staff to behave reasonably; as we do not approach individuals for funds, we have not specified this to fundraising activities nor do we consider it necessary to design specific procedures to monitor such activities.

(e) Related parties

Related party transactions are referred to in detail in the notes to the financial statements.

(f) Statement of Directors' Responsibilities

The Directors (who are also directors of SIB Foundation for the purposes of company law) are responsible for preparing the Directors' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

(f) Disclosure of Information to Auditors

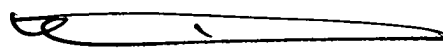
In so far as the Directors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Directors of SIB Foundation on 23 August 2019 and signed on their behalf.


Hazel Blears
Chair


Jeremy Newman
Director

Social Investment Business Foundation

Independent auditor's report to Members of Social Investment Business Foundation (continued)

Opinion

We have audited the financial statements of Social Investment Business Foundation ("the parent Charitable Company") and its subsidiaries ("the Group") for the year ended 31 March 2019 which comprise the consolidated statement of financial activities, the consolidated and Foundation balance sheets, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 31 March 2019 and of the Group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Charitable Company in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions related to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group or the Parent Charitable Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the Annual Report and Consolidated Financial Statements, other than the financial statements and our auditor's report thereon. The other information comprises the Directors' report. The Directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Social Investment Business Foundation

Independent auditor's report to Members of Social Investment Business Foundation (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report, which includes the Strategic report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report, which includes the strategic report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Director's report (which includes the strategic report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion;

- adequate accounting records have not been kept by the Parent Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Charitable Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities, the Directors (who are also the trustees of the charitable company for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Charitable Company or to cease operations, or have no realistic alternative but to do so.

Social Investment Business Foundation

Independent auditor's report to Members of Social Investment Business Foundation (continued)

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charitable Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company and the Charitable Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Don Bawtree (~~Senior~~ Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Gatwick

Date: 23 Aug 2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Social Investment Business Foundation

Consolidated Statement of Financial Activities for the year ended 31 March 2019

Company no 5777484		Unrestricted Funds	Restricted Funds	Group	Group
	Notes	2019 £ '000	2019 £ '000	2019 £ '000	2018 £ '000
Income from:					
Charitable activities:					
Investment income	2	-	1,595	1,595	1,857
Fund management income	3	1,822	-	1,822	1,896
Other income	4	-	-	-	-
Total income		1,822	1,595	3,417	3,752
Expenditure on:					
Charitable activities:					
Fund management costs	5	1,767	1,075	2,842	3,502
Fund costs - grants offered	5	3	13	16	-
Repayment to DCMS	6	-	4,205	4,205	8,015
Net outgoing resources from associate	12	89	-	89	23
Interest transferred to Management fee	6	-	1,026	1,026	1,047
Total expenditure		1,859	6,319	8,178	12,587
Net gains/(losses) on investments					
Investment provision increase/(decrease)	6	-	1,962	1,962	(614)
Net income/(expenditure)		(37)	(6,686)	(6,723)	(8,220)
Transfers between funds	6	409	(409)	-	-
Net income/(expenditure) before taxation	7	372	(7,095)	(6,723)	(8,220)
Corporation tax credit/(charge)	9	-	5	5	(454)
Net movement in funds		372	(7,090)	(6,718)	(8,674)
Reconciliation of Funds					
Funds balance brought forward at 1 April		1,681	62,456	64,137	72,810
Funds balance carried forward at 31 March		2,053	55,366	57,419	64,137

SIB Foundation has taken advantage of the exemption in section 408 of the Companies Act 2006 not to present its own statement of financial activities. The deficit for the year generated by the Foundation was £1,302,000 (2018: £2,554,000).

The notes on page 15 to 42 form part of these financial statements

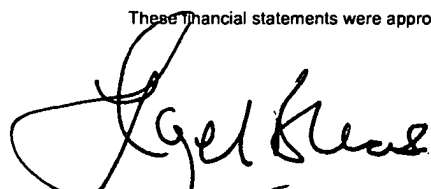
Social Investment Business Foundation

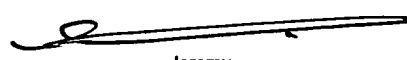
Consolidated balance sheet at 31 March 2019

Company no 5777484	Notes	Group	Group	Foundation	Foundation
		2019	2018	2019	2018
		£ '000	£ '000	£ '000	£ '000
Fixed Assets					
Tangible fixed assets	10	48	88	26	58
Mixed motive financial investments - loans to investees	11	30,491	38,917	6,528	9,011
Financial investments - loan to subsidiary		-	-	266	328
Financial investments - investment in associate	12	251	341	251	341
Financial investments - Social and Sustainable Capital LLP (SASC) funding (Mixed motive investment)	12	11,500	11,500	11,500	11,500
		<u>42,290</u>	<u>50,846</u>	<u>18,571</u>	<u>21,237</u>
Current Assets					
Debtors	9,13	546	458	141	224
Short Term Deposits		10,014	7,733	8,137	6,361
Cash at bank and in hand		15,019	11,945	9,773	10,445
		<u>25,579</u>	<u>20,136</u>	<u>18,051</u>	<u>17,031</u>
Liabilities					
Creditors: amounts falling due within one year	9,14	(771)	(994)	(376)	(301)
Recycled funds due back to the DCMS	14	(4,205)	-	-	-
Grants payable	15	(303)	(307)	(303)	(306)
Provisions for liabilities and charges		-	-	-	-
Amounts due to associate		(4,378)	(4,794)	(4,378)	(4,794)
		<u>(9,657)</u>	<u>(6,095)</u>	<u>(5,057)</u>	<u>(5,401)</u>
Net Current Assets		<u>15,922</u>	<u>14,041</u>	<u>12,994</u>	<u>11,630</u>
Total Assets less Current Liabilities		<u>58,212</u>	<u>64,887</u>	<u>31,565</u>	<u>32,867</u>
Creditors: amounts falling due after more than one year					
Amount owed to DCMS		(43)	-	-	-
Provisions for liabilities - SASC		(750)	(750)	(750)	(750)
Net Assets		<u>57,419</u>	<u>64,137</u>	<u>30,815</u>	<u>32,117</u>
The funds of the Foundation:					
Unrestricted income funds		2,053	1,681	762	759
Restricted income funds		55,366	62,456	30,053	31,358
Total Foundation funds	16	<u>57,419</u>	<u>64,137</u>	<u>30,815</u>	<u>32,117</u>

The notes on page 15 to 42 form part of these financial statements

These financial statements were approved by the Board of Directors on 23 August 2019 and were signed on its behalf by:


Hazel Blears
Chair


Jeremy Newman
Director

Social Investment Business Foundation

Consolidated statement of cash flows For the year ended 31 March 2019

Company no. 5777484	Notes	2019 £ '000	2018 £ '000
Net cash used in operating activities	18	(2,313)	(28,921)
Cash flows from investing activities			
Payments for fixed assets		(2)	(61)
Payment to associate		(416)	(1,373)
Investment income		1,595	1,857
Payments for financial investments		(42)	(122)
Repayments of financial investments		6,533	8,422
Net cash from investing activities		7,667	8,723
Net (Decrease)/Increase in cash and cash equivalents		5,355	(20,198)
Cash and cash equivalents at the beginning of the year		19,678	39,877
Cash and cash equivalents at the end of the year		25,033	19,678
Analysis of net funds			
	Balance at 1 April 2018	Movement during the year	Balance at 31 March 2019
	£ '000	£ '000	£ '000
Cash	11,945	3,074	15,019
Short term deposits	7,733	2,281	10,014
	19,678	5,355	25,033

The notes on page 15 – 42 form part of these financial statements

Social Investment Business Foundation

Notes forming part of the financial statements For the year ended 31 March 2019

1 Significant accounting policies

a) Reporting entity

The Social Investment Business Foundation (SIB Foundation) is a charity governed by the Companies Act 2006 and the Charities Act 2011.

SIB (the Group) consists of the ultimate parent SIB Foundation (the Foundation), SIB Limited (SIB Limited - 100% owned), and its subsidiaries: Futurebuilders England Limited (FBE - 100% owned) and SIB Group FM Limited. Both SIB Limited and FBE have traded under the name of the Social Investment Business since 28 July 2009.

The Group managed the following Funds during the financial year and managed our own funds at SIB Foundation:

The Group is authorised for the Communitybuilders Fund, Futurebuilders Fund and Modernisation Fund, as the Fund Manager, to act as the Principal therefore all transactions relating to the Funds are recorded on the Statement of Financial Activities and Balance Sheet. The Group has also included the results of the Investment and Contract Readiness Fund on its Balance Sheet and Statement of Financial Activities. This contract does not have an express statement confirming that SIB Limited acts as principal, however DCMS has advised that, in its opinion, SIB Limited is considered to act as principal on the contract based on the fact that grant decisions are made by SIB.

The Group is authorised for the Social Enterprise Investment Fund (SEIF), as the Fund Manager, to act as the Agent therefore transactions relating to the Fund are not part of the Financial Statements. Income received for managing the Fund and the cost associated with managing the Fund are recorded in the financial statements. The Group acts as the Agent in respect of the Centre for Social Action Fund, Big Potential (Big Lottery) and Access Reach and Access Impact Funds.

b) Basis of preparation

These financial statements for the Group are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006, Charities Act 2011 and applicable accounting standards in the United Kingdom. These financial statements have also been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102). The Foundation constitutes a public benefit entity as defined by FRS 102.

c) Going concern

The Directors have prepared forecasts of the Group's cash and capital positions for the period ending July 2020, eighteen months from the date of these financial statements. The Directors consider the cash and reserves position of the Group's to be sufficient to support the Group for at least twelve months from the date of signing these financial statements taking into account the value and length of the fund management and other contracts in place and for this reason continue to adopt the going concern basis in preparing the annual financial statements. There are no material uncertainties about the Foundation's ability to continue as a going concern.

SIB Limited is a subsidiary of the Foundation. At the financial year end SIB Limited had net assets of £999k.

Social Investment Business Foundation

Notes forming part of the financial statements For the year ended 31 March 2019 (continued)

d) Basis of consolidation

The financial statements have been consolidated on a line by line basis in accordance with FRS 102. SIB Foundation has taken advantage of the exemption in section 408 of the Companies Act 2006 not to present its own statement of financial activities. The deficit for the year generated by the Foundation was £1,308,000 including provision of £901,000 (2018: £2,554,000).

Futurebuilders England Limited fund treatment

The contracts dated 1 April 2011 between Cabinet Office and SIB Limited and between Cabinet Office and FBE to manage the funds advanced by Cabinet Office to FBE expired on 31 March 2013. Those contracts expressly stated that FBE was acting as principal and on this basis, and taking into account the substance of the relationship with Cabinet Office, the assets and liabilities of FBE were fully consolidated in the accounts of the Group at 31 March 2013 and previous years and the monies advanced by Cabinet Office were treated as restricted funds.

This contract was replaced by a new contract between SIB Limited and Cabinet Office which runs from 1 April 2013 to 31 March 2016. Although there are some differences between the previous contract and the new contract the governance arrangements, and the substance of the relationship between SIB Limited and Cabinet Office with regard to the management of these funds, remain largely unchanged. An agreement was signed on 26 August 2015 to further extend the contract from March 2016 to March 2021.

In particular, Cabinet Office has advised that, in its opinion, FBE continues to act as principal under the contract and the contract specifically states that FBE "will hold the assets and liabilities of the fund on its balance sheet" although the new contract does not have an express statement confirming that FBE acts as principal not as agent.

In all these circumstances, the assets and liabilities of FBE continue to be fully consolidated in the Group's accounts at 31 March 2019 and the monies advanced by Cabinet Office continue to be treated as restricted funds.

However, under the new contract, the Cabinet Office:

- has the right to terminate the contract at any time by giving at least three months' notice;
- will be given all shares in Futurebuilders England Limited for no consideration at the end of such notice period, and
- can require Futurebuilders England Limited to "deal with the Funds in the manner directed by Cabinet Office".

If the above were to occur there would be a change in the nature of the relationship with Cabinet Office and in the substance of the agreement with The Social Investment Business Limited. In such circumstances, the Group would immediately recognise in its accounts:

- a disposal of a subsidiary undertaking for no consideration should Cabinet Office serve notice to terminate the contract; or
- a liability should Cabinet Office make a request for funds to be returned to them.

The Futurebuilders contract with the Cabinet Office was transferred to DCMS during 2016/17

e) Fund Accounting

Restricted Funds

Restricted Funds are to be used for specific purposes either laid down by the funder or specified in each agreement for the benefit of identified beneficiaries. Expenditure incurred by the Foundation for these purposes is charged to the fund, together with a fair allocation of overheads, support costs and interest income.

Unrestricted Funds

Unrestricted Funds are available for use against operating costs in delivery of specific funds as stated in the service agreements in place and within the overall price therein, but at the trustees/directors discretion in how delivery is achieved within that price. Where gain share thresholds are included in a specific contract, any saving on costs below that threshold is repayable to the appropriate funder on a proportionate basis per the agreement.

Social Investment Business Foundation

Notes forming part of the financial statements
For the year ended 31 March 2019 (continued)

f) Investment in associate - SASC

During 2013, SIB Foundation acquired a 29% share of Social and Sustainable Capital LLP (SASC) - entitling the Group to a 51% share of all future profit distributions. The investment in this associate has been accounted for using the equity method - with the initial investment recognised at cost which is considered to be the fair value of the consideration paid by the group. The carrying amount of the investment is increased or decreased to recognise the Group's share of the profit or loss of SASC - and this profit or loss is reflected in the Group's results for the period.

As at 31 March 2019, SIB Foundation had committed £10m to SASC from the Communitybuilders Fund to invest into SASC's Community Investment Fund. SIB Foundation also committed £1.5m as first loss provision on SASC's Third Sector Loan Fund. It is estimated that £750k of the loss provision will be repaid to SIB Foundation over 10 years, and therefore a provision for the remaining £750k is included in the financial statements. Further, in January 2019 SIB Foundation allocated £2m out of the CIF £10m into the SASC "New Housing Fund".

g) Incoming resources

All incoming resources are included in the Statement of Financial Activities when the group is legally entitled, receipt is probable and the amount can be measured reliably.

Investment income including associated tax, relating to both unrestricted and restricted funds is recognised when receivable.

Fund management fee income is recognised when the Group is entitled to the income based on the fund management contract.

Fund income in respect of investment activity, when the Group is Principal, is recognised when a drawdown request is made. Investments offered to investees but not yet requested as a draw down from the Fund Authority at the Balance Sheet date are disclosed as contingent assets.

Fund income in respect of investment activity, when the Company is Agent, is not recognised in the Statement of Financial Activities but disclosed within the notes below.

h) Resources expended

Resources expended are recognised once there is a legal or constructive obligation to make a payment to a third party and on an accruals basis in the period in which they are incurred. Resources expended include attributable VAT when this cannot be recovered.

Charitable activities costs incurred on activities comprise all the resource applied by the Group in undertaking its charitable objectives.

Expenditure is allocated between:

- expenditure incurred directly to the fulfilment of the Foundation's objectives
- expenditure incurred directly in the effort to raise voluntary contributions
- expenditure on the governance infrastructure which allows the Foundation to operate and to generate the information required for public accountability.

Items of indirect expenditure are apportioned on an appropriate basis as follows:

- Within Governance costs, staff time is attributed on an analysis of time spent on the various activities.
- Fund management costs and cost of generating funds are allocated as incurred and according to time spent.
- Premises and operational costs are allocated pro rata to staff time.

Governance costs are costs incurred in connection with meetings of the Board of Directors and Committees of the Company, fees paid to the statutory auditors, internal auditors and legal fees where they are not for services provided in relation to our fund management activities. These expenditure classed as governance costs has been detailed in note 5, and these costs have been allocated over fund management costs and costs of generating funds on the basis of staff time spent on these two activities.

Support costs are functions that assist the work of the Foundation but do not directly undertake charitable activities. Support costs include back office costs, finance and human resources. The basis on which support costs have been allocated are set out in note 5.

Fund costs relating to grants offered are recognised at the point of offer communication to the investee, as this gives rise to a constructive obligation. Loan offers communicated are recognised as a Financial investment in the Balance Sheet only once a disbursement has been made to the investees.

Social Investment Business Foundation

Notes forming part of the financial statements For the year ended 31 March 2019 (continued)

i) Defined contribution pension schemes

The Group operates a defined contribution pension scheme. Contributions to the defined contribution pension scheme is recognised as an expense in the Statement of Financial Activities as incurred.

j) Operating leases

Lease payments under an operating lease are recognised as an expense on a straight line basis over the lease term.

k) Taxation

Corporation tax expense comprises both current tax and deferred tax and is calculated using tax rates that have been enacted or substantively enacted by balance sheet date.

Current tax is the amount of corporation tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

The Group's subsidiaries are liable for corporation tax on investment income receivable and operating profits.

l) Tangible fixed assets

Tangible fixed assets are shown at cost (comprising the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use), less accumulated depreciation and impairment, except for items costing less than £2,000 which are written off to the consolidated Statement of Financial Activities in the year of purchase.

Depreciation

Depreciation is provided on a straight-line basis on all tangible fixed assets, at rates that will write off the cost of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Leasehold fixtures and fittings	5 years (20% per annum)
IT and Office equipment	3-5 years (20% - 33% per annum)

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

m) Financial investments

Financial investment loans, equivalent to mixed motive investments, are recognised at the point of the disbursement under the conditions set out in the loan agreement with the investee. Loans offered and communicated but not disbursed to the investee at the balance sheet date are disclosed as contingent liabilities. Loans offered to potential investees, not requested as drawdown, at balance sheet date are disclosed as contingent assets.

n) Social Return on Investment (SROI) repayments

SIB Foundation has offered, as part of an investment package, loans that are repayable by social return. The social return is measured over a specified period of time. The treatment of the loans in the accounts is as financial investments and as the loan is repaid by social return it is converted to a grant. If it is not, the investment remains as a loan and becomes financially repayable.

If a loan is deemed likely to be repaid by social return and thus converted to a grant in the future, a provision is made in the Consolidated Statement of Financial Activities reducing the financial investment balance.

Social Investment Business Foundation

Notes forming part of the financial statements For the year ended 31 March 2019 (continued)

o) Provisions

The Group recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in "finance costs".

The Group makes specific provisions for impairment against loans when, as a result of frequent monitoring and review by the Investment Committees, it is considered that recovery is doubtful. A calibrated risk approach to the investment books of the Futurebuilders, Modernisation, Communitybuilders and Adventure Capital Funds results in a further general provision being made to the financial investments, after taking account of individual specific provisions. Provisions made during the year, less amounts released, are charged to the Statement of Financial Activities and are netted off against financial investments in the balance sheet.

Significant judgement and estimates - provisions

Preparation of the financial statements requires management to make significant judgements and estimates. Significant judgements and estimates have been used in the calculation of risk calibrated provisions which are deducted from financial investments after the deduction of specific provisions. These provisions are calculated by applying impairments to financial investments after assessing their likelihood of default based on financial and subjective metrics.

In respect of financial investments, the amount of risk calibrated provision applied to the financial investments this financial year is £1,486,000 (2018: £2,446,000).

p) Value Added Tax (VAT)

All items in the financial statements are stated exclusive of VAT, except for debtors and other receivables and creditors and other payables, which are presented on a VAT inclusive basis. Where VAT is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of VAT recoverable from, or payable to, Her Majesty Revenue and Customs (HMRC) is included as part of debtors or creditors in the balance sheet.

Commitments and contingencies are disclosed exclusive of VAT.

Social Investment Business Foundation

Notes forming part of the financial statements
For the year ended 31 March 2019 (continued)

2 Investment income

	Group 2019 £ '000	Group 2018 £ '000
<i>By Fund</i>		
Unrestricted	-	-
Adventure Capital Fund (ACF)	58	82
Futurebuilders Fund	1,084	1,334
Modernisation Fund	17	15
Forward Enterprise FM Limited	42	-
Liverpool Local Impact Fund (Liverpool LIF)	30	50
Communitybuilders Fund	<u>364</u>	<u>376</u>
	<u>1,595</u>	<u>1,857</u>
<i>By nature:</i>		
Interest on investments	1,499	1,731
Interest on bank deposits - restricted	88	88
Interest on bank deposits - unrestricted	-	-
Other income	<u>8</u>	<u>38</u>
	<u>1,595</u>	<u>1,857</u>

Investment income relates to loan interest receivable on ACF, Futurebuilders, Modernisation and Communitybuilders Funds. Loans disbursed under the Modernisation Fund were at zero percent interest with the exception of 3SC.

In 2019, £1,595,000 of the investment income (2018: £1,857,000) was attributable to restricted income funds with none (2018: Nil) being adding to unrestricted funds.

Social Investment Business Foundation

Notes forming part of the financial statements
For the year ended 31 March 2019 (continued)

3 Fund management income

	Group 2019 £ '000	Group 2018 £ '000
<i>By Fund:</i>		
<i>Management fee</i>		
Futurebuilders Fund	852	871
Communitybuilders Fund	-	-
Social Enterprise Investment Fund	131	141
Forward Enterprise Income	27	-
Big Lottery Scotland II	188	139
Big Venture Challenge	31	186
Access Reach Fund	129	73
Access Impact Fund	102	87
Big Potential	104	329
Local Impact Fund (LIF)	-	58
Clore Foundation	39	2
Investment Readiness Consultancy	-	10
Asda Fund	3	-
Taskforce	106	-
Healthy London Partnership	69	-
PTC	41	-
Total Fund Management income	<u>1,822</u>	<u>1,896</u>

Fund management income is derived from managing grant and loan funds, all of which is attributable to unrestricted funds.

The prior year figure of £1,896,000 all related to unrestricted funds.

Social Investment Business Foundation

Notes forming part of the financial statements
For the year ended 31 March 2019 (continued)

4 Other incoming resources

	Group 2019 £ '000	Group 2018 £ '000
Other income including business support income	-	-
	-	-

Business Support income in respect of the funds is for support provided to investees by staff and external consultants under the Communitybuilders Fund and the Social Enterprise Investment Fund and which has been recharged to these funds. In 2018, of other income resources it was £NIL.

5 Analysis of Fund Management and Governance Costs

	Group 2019 £ '000	Group 2018 £ '000
Staff costs	1,202	1,320
Premises and operational	145	174
Legal and other professional	31	15
Depreciation/Amortisation	25	20
Operating leases for land and buildings	81	112
Business consultants - investee support	13	133
Other consultancy	11	29
Other direct cost	169	170
Direct fund management	239	329
LIF management fee	-	375
Governance	356	392
Support costs	586	433
	<u>2,858</u>	<u>3,502</u>

Social Investment Business Foundation

Notes forming part of the financial statements
For the year ended 31 March 2019 (continued)

5 Allocation of governance and support costs

Governance and support costs
comprise the following:

	Group		Foundation		Basis of apportionment
	Governance	Support costs	Governance	Support costs	
	£'000	£'000	£'000	£'000	
Staff costs	196	415	123	-	Staff time
Premises and operational	27	48	18	-	Staff time
Legal and other professional	2	19	-	7	Staff time
Board and investment committee costs	10	-	8	-	Staff time
Depreciation/Amortisation	14	3	13	-	Staff time
Auditors' remuneration - audit services	43	-	24	-	Governance
Auditors' remuneration - internal audit	(7)	-	-	-	Governance
Other consultancy	1	4	52	-	Staff time
Other direct cost	70	97	-	-	Staff time
	<u>356</u>	<u>586</u>	<u>238</u>	<u>7</u>	

Social Investment Business Foundation

Notes forming part of the financial statements
For the year ended 31 March 2019 (continued)

6 Fund costs

	Group 2019 £ '000	Group 2018 £ '000
Transfer to management fee - Communitybuilders Fund	409	484
Interest transferred to management fee - Futurebuilders Fund	1,026	1,047

Transfer to management fee - Communitybuilders Fund represents a transfer from the restricted Communitybuilders Fund to SIB Limited as payment of the fund management fee. This is shown as a transfer between restricted and unrestricted funds on the face of the Statement of Financial Activities.

Interest transferred to management fee - Futurebuilders Fund represents the payment of the management fee from DCMS to SIB Limited from returns to the Fund. Both transfers have been accounted for as unrestricted income.

	2019 £ '000	2018 £ '000
Repayment to DCMS	4,205	8,015

During the year, DCMS requested a return of £4,205,000 which was paid post year-end (2018: £8,015,000).

	Group 2019 £ '000	Group 2018 £ '000
<i>Investment provisions/write offs made in year</i>		
<i>Write offs</i>		
Capital	2	1,278
Interest	-	34
	2	1,312
<i>Provisions</i>		
Capital	1,933	(2,026)
Interest	27	100
	1,960	(1,926)
	1,962	(614)

Of the above increased capital provision of £1,933,000 a specific charge of £3,600,000 (2018: £2,204,000) has been made on 4 (2018: 7) investments during the year and £707,000 (2018: £3,457,000), released from provisions relating to 17 investments. The remaining balance of £960,000 (2018: £773,000) relates to a decrease in provision based on the calibrated risk approach. The interest provision has increased by £27,000 (2018: increased by £100,000). The above capital provisions also includes amounts related to guarantees.

Social Investment Business Foundation

Notes forming part of the financial statements
For the year ended 31 March 2019 (continued)

7	Net Expenditure for the year	Group	Group		
		2019 £ '000	2018 £ '000		
	Net Expenditure is stated after charging:				
	Depreciation/amortisation	42	20		
	Operating leases for land and buildings	81	112		
	Auditors' remuneration - audit services current year	43	45		
	Auditors' remuneration - non audit services	5	16		
	Internal audit	(7)	18		
8	Staff costs	Group	Group	Foundation	Foundation
		2019 £ '000	2018 £ '000	2019 £ '000	2018 £ '000
	Wages and salaries	1,565	1,517	254	166
	Social security costs	153	155	17	24
	Other pension costs	112	136	17	28
		1,830	1,808	288	218

Included in the figures above are payments made to key management personnel defined as Directors and the Group Senior Management team (Chief Executive, Director of Investments and Director of Corporate Resources).

The payments to Directors of SIB Foundation Board are for their services to the Group. Authority for remunerating Directors is included within the memorandum and articles of SIB Foundation. The total SIB Foundation Directors remuneration is £20,611 (2018: £29,813) of which Hazel Blears is paid at £12,480 (2018: £12,480). Hazel Blears is paid by SIB Ltd at £24,960 via A Mon Avis Limited (2018: £24,960 of which £12,480 is recharged to SIB Foundation).

Payments are also made to the Directors of SIB, a subsidiary of SIB Foundation. The total SIB Limited Director remuneration costs are £46,618 (2018: £50,480) of which £NIL (2018: £NIL) relates to pension payments. This means that the total Group Trustee and Director costs amounted to £67,229 (2018: £80,293) including pension payments of £NIL (2018: £NIL).

Social Investment Business Foundation

Notes forming part of the financial statements
For the year ended 31 March 2019 (continued)

8 Staff costs (continued)

Remuneration for the Group Senior Management team totalled £548,104 (2018: £354,114) including pension payments of £54,587 (2018: £36,810).

During the year £165,000 compensation was made to employees for loss of office (2018: £25,000).

The monthly average number of Full Time Equivalent employees during the year was as follows:

	Group 2019	Group 2018	Foundation 2019	Foundation 2018
Operational staff	24	29	1	3
Management staff	<u>5</u>	<u>3</u>	<u>1</u>	<u>1</u>
	<u>29</u>	<u>32</u>	<u>2</u>	<u>4</u>
Number of employees in the following salary ranges:	Group	Group	Foundation	Foundation
	2019	2018	2019	2018
£60,000 - £69,999	2	6	-	1
£70,000 - £79,999	-	-	-	-
£80,000 - £89,999	-	1	-	1
£90,000 - £99,999 *	1	-	-	-
£150,000 - £159,999	<u>1</u>	<u>-</u>	<u>1</u>	<u>-</u>
	<u>4</u>	<u>7</u>	<u>1</u>	<u>2</u>

*Includes the Chief Executive

Social Investment Business Foundation

Notes forming part of the financial statements For the year ended 31 March 2019 (continued)

8 Staff costs (continued)

Board, Investment Committee and Directors' remuneration

Board, Investment committee and Directors' remunerations are payments to members of the SIB Limited and SIB Foundation Board for their services to the group. Authority for remunerating Directors is included within the memorandum and articles of SIB Foundation.

	Salary		Pension		Expenses	
	2019 £	2018 £	2019 £	2018 £	2019 £	2018 £
Stephen Bubb	-	-	-	-	-	-
Hazel Blears	24,960	24,960	-	-	483	1,663
Anne Tutt	-	-	-	-	-	72
Anthony Cann	-	-	-	-	-	-
Edward Lord	-	1,000	-	-	-	-
Fred Worth	-	-	-	-	77	34
Jeremy Newman	12,854	16,333	-	-	216	287
Louise Keeling	7,000	7,000	-	-	-	-
Richard Pelly	7,000	7,000	-	-	-	-
Julie Currie	3,415	12,000	-	-	-	-
Jim Rice	4,000	4,000	-	-	-	-
Anand Shukla	-	-	-	-	78	-
Jeremy Nicholls	4,000	4,000	-	-	581	378
Jenny North	4,000	4,000	-	-	-	-
	67,229	80,293	-	-	1,435	2,434

These Board and Committee costs are included in the staff costs detailed above.

Pensions

SIB Foundation operates a defined contribution pension scheme open to all staff employees (including Directors), administered by AEGON, and pays employer's contributions at three different rates for all staff who were employed before the 1st August 2016: 6.79%, 9.06% and 11.33% depending on the level of employee contribution and two rates for all staff employed on the 1st August 2016 and onwards: 4% and 8% depending on the level of employee contribution.

The assets of the schemes are held separately from those of the group in independently administered funds. The pension cost charge represents contributions payable under the schemes by the group to the funds.

Outstanding pension contributions for the Group at the year-end was £29,243 (2018: £14,139).

Other Board, Investment Committee and Directors' costs

A total of £1,435 was paid in other Board, Investment Committee and Director costs in the year ended 31 March 2019 (2018: £2,916), which represents Directors' expenses, mainly travel, paid to 5 Directors during the period.

Social Investment Business Foundation

Notes forming part of the financial statements For the year ended 31 March 2019 (continued)

9 Corporation tax credit/(charge)

SIB Foundation as a registered charity is exempt from Corporation tax under the Corporation Tax Act 2010 (chapters 2 and 3 of part II, section 466 onwards) or Section 256 of the Taxation for Chargeable Gains Act 1992, to the extent surpluses are applied to its charitable purposes.

FBE is not subject to corporation tax on fund income on drawn down requests in respect of investments to Civil Society Organisations. Corporation tax is chargeable to the restricted Fund where it relates to loan interest received. Corporation tax relating to interest accrued is borne by FBE and is included as a charge against the unrestricted management fee.

Any tax-adjusted surplus arising in FBE and SIB Limited on the payment they receive to cover operational and management costs will be taxable. The tax charge arising on the payment received to cover operational and management costs differs from the surplus/deficit on that payment as follows:

	2019 £ '000	2018 £ '000
Incoming resources - FBE, FEFM and SIB Limited		
Net incoming resources before taxation	(5,433)	(5,671)
Tax at 19% thereon	1,032	1,077
Effects of:	-	-
Expenses not deductible for tax purposes	(819)	(1,523)
Deferred tax not recognised	(208)	(9)
Adjustments in respect of the prior period	-	1
Actual current tax (charge)/credit	5	(454)

A potential deferred tax asset of £10,269 exists at the year-end (2018: £3,498) relating to fixed asset timing differences. This has not been recognised within the financial statements.

10 Tangible fixed assets

Group:	Licensing Software £ '000	Leasehold Fixtures & Fittings £ '000	Office Equipm ent & IT £ '000	Total £ '000
Cost or Valuation				
at 1 April 2018	5	120	243	368
Additions	-	-	2	2
at 31 March 2019	5	120	245	370
Accumulated depreciation				
at 1 April 2018	5	120	155	280
Charge for year	-	-	42	42
at 31 March 2019	5	120	197	322
Net book value				
at 31 March 2019	-	-	48	48
at 1 April 2018	-	-	88	88

Social Investment Business Foundation

Notes forming part of the financial statements For the year ended 31 March 2019 (continued)

11 Financial investments

Financial investments are in the form of loans and guarantees and are mixed motive investments. This year the group have made specific provisions against 4 loans (2018: 8) which may be non-performing. The Directors believe that the carrying value of the investments is supported by their underlying assets.

Cumulative

	Group 2019 £ '000	Group 2018 £ '000	Foundation 2019 £ '000	Foundation 2018 £ '000
Loans disbursed	154,892	154,849	27,171	27,171
Loans transferred from FBE	-	-	4,258	4,258
Capitalised interest	364	364	-	-
Repayments received	(90,894)	(84,361)	(13,340)	(11,414)
Loan repayment received (Social Return on Investment)	(829)	(829)	(829)	(829)
Transfer loan to grant	(288)	(288)	(288)	(288)
Loan balance at 31 March before write off and provisions	63,245	69,735	16,972	18,898
Loans written off	(10,974)	(10,971)	(1,285)	(1,283)
Bad debt provision	(21,780)	(19,847)	(9,159)	(8,604)
	(32,753)	(30,818)	(10,444)	(9,887)
Balance at 31 March	30,491	38,917	6,528	9,011

In year

	Group 2019 £ '000	Group 2018 £ '000	Foundation 2019 £ '000	Foundation 2018 £ '000
Balance at 1 April	38,917	46,467	9,011	11,447
New loans disbursed	42	122	-	110
Repayments received	(6,533)	(8,422)	(1,926)	(1,189)
Loan balance at 31 March before write off and provisions	32,426	38,168	7,085	10,368
Loans written off	(2)	(1,278)	(2)	(73)
Bad debt provision	(1,933)	2,026	(555)	(1,284)
	(1,935)	749	(557)	(1,357)
Balance at 31 March	30,491	38,917	6,528	9,011

Social Investment Business Foundation

Notes forming part of the financial statements For the year ended 31 March 2019 (continued)

11. Financial Investments (continued)

	Group 2019 £ '000	Group 2018 £ '000	Foundation 2019 £ '000	Foundation 2018 £ '000
Maturity of loans and advances:				
Within 1 year	958	835	145	136
Over 1 year to 5 years	3,855	4,802	3,772	3,886
Over 5 years	<u>25,678</u>	<u>33,280</u>	<u>2,611</u>	<u>4,989</u>
	<u>30,491</u>	<u>38,917</u>	<u>6,528</u>	<u>9,011</u>

At 31 March 2019 there are loans to the value of £NIL (2018: NIL) which are potentially repayable by social outputs.

All investments are UK based. Investments are based on agreements ranging in length from 1 to 27 years with interest rates of up to 6%.

Investment Provisions (capital)

	Group 2019 £ '000	Group 2018 £ '000	Foundation 2019 £ '000	Foundation 2018 £ '000
Provisions brought forward	19,847	21,873	8,604	7,320
Increase in provisions	3,600	2,220	969	1,654
Provisions (written off)/released during the year	<u>(1,667)</u>	<u>(4,245)</u>	<u>(414)</u>	<u>(369)</u>
Provisions carried forward	<u>21,780</u>	<u>19,847</u>	<u>9,159</u>	<u>8,604</u>

SIB Foundation

The Foundation shows an increase in provision in the year of £555,000 (2018: £1,284,000) comprising a decrease in ACF funds of £45,000 (2018: decrease of £57,000), increase in Communitybuilders provision of £619,000 (2018: increase £1,347,000) and a decrease in the Liverpool LIF provision of £19,000 (2018: decrease of £5,000). The movement in ACF funds provision is explained by a decrease in the specific provision of £2,000 due to write-offs (2018: £93,000 decrease) and a decrease in risk calibrated provision of £43,000 (2018: increase of £36,000). The increase in Communitybuilders provision is explained by a decrease in the general provisions of £160,000 (2018: £221,000) and an increase in specific provision of £969,000 (2018: £1,638,000) of 2 loans (2018: 2 loans) and the release of provisions of £190,000 (2018: £70,000).

Futurebuilders England Limited

During the year, 0 (2018: 5) loans or guarantees were written off, comprising loans of £0 (2018: £1,204,893) and £0 of guarantees (2018: £Nil). In addition, there were no capital adjustments (2018: £Nil).

Specific provisions for 2 loans totalling £2,631,000 (2018: £566,000, 5 loans) were made during the year. In addition to this, a risk calibrated provision reduction of £738,000 was made (2018 decrease: £582,000) and provisions for 10 loans totalling £516,000 were released (2018: £3,293,000, 15 loans).

Social Investment Business Foundation

Notes forming part of the financial statements
For the year ended 31 March 2019 (continued)

12 Financial investments - Other Mixed Motive Investments

SASC

	Group 2019 £ '000	Group 2018 £ '000
Movement in the carrying amount of investments in SASC		
Balance at 1 April	340	366
Share of profit/(loss) in associate	(89)	(26)
Balance at 31 March	251	340
 Income/(expenditure) from interest in associate undertaking		
	Group 2019 £ '000	Group 2018 £ '000
Revenue	1,170	1,062
Operating expenses	(995)	(1,114)
Profit/(loss) after drawings	(175)	(52)
 Share of net assets of associate		

SIB Foundation acquired a 29% interest in SASC during 2013/14 in return for a 51% share on any distributions made. SASC is an FCA authorised and regulated fund manager and social enterprise providing finance to charities and social enterprises to help social sector organisations deliver scalable and sustainable solutions to social issues by providing simple financing for viable organisations so that they can continue to grow and achieve greater impact.

As at 31 March 2019, SIB Foundation's share of net assets in SASC amounted to £251,000. This decrease of £249,000 on the initial investment of £500,000 in SASC is as a result of SIB Foundation accounting for the 51% share of losses suffered by SASC to date.

Social Investment Business Foundation

**Notes forming part of the financial statements
For the year ended 31 March 2019 (continued)**

13 Debtors: amounts falling due within one year

	Group 2019 £ '000	Group 2018 £ '000	Foundation 2019 £ '000	Foundation 2018 £ '000
Trade debtors	103	115	14	2
Amounts due from subsidiary undertakings	-	-	5	18
Amounts due from parent	-	-	-	-
Corporation tax	5	-	-	-
Investee interest receivable	144	216	115	179
Prepayments and accrued income	121	128	7	27
Other debtors	173	(1)	-	(1)
Other taxation and social security	-	-	-	-
	<u>546</u>	<u>458</u>	<u>141</u>	<u>224</u>

14 Creditors: amounts falling due within one year

	Group 2019 £ '000	Group 2018 £ '000	Foundation 2019 £ '000	Foundation 2018 £ '000
Trade creditors	387	104	125	-
Amounts due to subsidiary undertakings	-	-	110	217
Amounts due to parent	-	-	-	-
Corporation tax	-	454	-	-
Other taxation and social security	44	62	15	25
Other creditors	20	24	8	5
Recycled funds due back to the DCMS	4,205	-	-	-
Accruals	304	311	111	47
Deferred income	16	38	7	7
	<u>4,976</u>	<u>994</u>	<u>376</u>	<u>301</u>

All of the above deferred income has been released since the Balance Sheet date as it relates to quarter one of the next financial year.

Social Investment Business Foundation

Notes forming part of the financial statements For the year ended 31 March 2019 (continued)

15 Grants payable

In year

	Group	Group	Foundation	Foundation
	2019	2018	2019	2018
	£ '000	£ '000	£ '000	£ '000
Grants payable at 1 April	307	342	306	304
Grants (withdrawn)/offered	48	16	10	16
Grants paid	(14)	(14)	(13)	(14)
Refund of grants paid	-	-	-	-
Grant commitments withdrawn	(38)	(38)	-	-
Grants payable at 31 March	<u>303</u>	<u>307</u>	<u>303</u>	<u>306</u>
Less than one year	<u>303</u>	<u>307</u>	<u>303</u>	<u>306</u>
	<u>303</u>	<u>307</u>	<u>303</u>	<u>306</u>

An analysis of the group's grants paid during the year, the purposes for which the grants were to be used, the number of organisations to which grants were paid and the total value of grants made in respect of each such purpose is set out below.

Grants awarded

	2019	2018
	Value	Value
	£ '000	£ '000
Community Cohesion	10	16
Investment/Impact and contract readiness	<u>-</u>	<u>-</u>
	<u>10</u>	<u>16</u>

Social Investment Business Foundation

Notes forming part of the financial statements
For the year ended 31 March 2019 (continued)

16 Reserves/Funds

	Balance at 1 April 2018 £ '000	Incoming resources £ '000	Investment income £'000	Resources expended including corporation tax £ '000	Balance at 31 March 2019 £ '000
Group					
Restricted funds:					
Futurebuilders Fund	31,098	-	1,084	(6,616)	25,566
Communitybuilders Fund	26,469	-	364	(2,064)	24,769
Other Funds	4,889	-	147	(5)	5,031
Restricted funds carried forward	62,456	-	1,595	(8,685)	55,366
Unrestricted funds	1,681	2,231	-	(1,859)	2,053
Total funds carried forward	64,137	2,231	1,595	(10,544)	57,419
Reserves/Funds - previous year					
	Balance at 1 April 2017 £ '000	Incoming resources £ '000	Investment income £'000	Resources expended including corporation tax £ '000	Balance at 31 March 2018 £ '000
Group					
Restricted funds:					
Futurebuilders Fund	30,825	-	1,334	(1,061)	31,098
Communitybuilders Fund	27,759	-	376	(1,666)	26,469
Other Funds	12,368	-	147	(7,626)	4,889
Restricted funds carried forward	70,952	-	1,857	(10,353)	62,456
Unrestricted funds	1,858	2,380	-	(2,558)	1,681
Total funds carried forward	72,810	2,380	1,857	(12,911)	64,137

Social Investment Business Foundation

Notes forming part of the financial statements For the year ended 31 March 2019 (continued)

16 Reserves/Funds (continued)

The purpose of the ACF General Fund is to make investments in and support community enterprises to build capacity and enable them to achieve entrepreneurial success. This includes, with Office for Civil Society agreement, payment of related overhead costs.

The London BDG Fund is for grants and support to community organisations in London to develop enterprise activities. The Futurebuilders Fund provides loan financing, often combined with grants and professional support, to civil society organisations in England that need investment to help them bid for, win and deliver public service contracts. This Fund is closed for new applications.

The Modernisation Fund provided interest-free loans to help organisations be more resilient to the impact of the economic downturn. This Fund closed last financial year for new applications.

The Communitybuilders Fund provides loans, grants and business support to multi-purpose, inclusive, community-led organisations (sometimes known as Community Anchors). This restricted fund is endowed to SIB Foundation and in FY20-21 the current restrictions will be lifted.

The Liverpool LIF fund provides loan funding to community organisations in the Liverpool City Region to develop, grow and increase their community and economic impact.

17 Analysis of net assets between funds

	Fixed assets and current assets 2019 £ '000	Financial investments 2019 £ '000	Total liabilities 2019 £'000	Total funds 2019 £ '000
Group				
Restricted funds	23,030	41,991	(9,655)	55,366
Unrestricted funds	2,597	251	(795)	2,053
Total Group	25,627	42,242	(10,450)	57,419

Social Investment Business Foundation

Notes forming part of the financial statements
For the year ended 31 March 2019 (continued)

18 Cash Flow Statement - reconciliation of net incoming resources to net cash (outflow)/inflow from operating activities

	Group 2019 £ '000	Group 2018 £ '000	Foundation 2019 £ '000	Foundation 2018 £ '000
Net incoming resources after taxation	(6,718)	(8,674)	(1,297)	(2,554)
Investments income and bank interest received	(1,595)	(1,857)	(452)	(508)
Depreciation/Amortisation	42	29	-	-
Goodwill amortisation	-	-	-	-
Fixed asset disposal	-	-	-	-
Increase in financial investment provisions/write offs	1,935	(749)	580	1,490
Financial investments repaid by social return	-	-	-	-
(Increase)/Decrease in debtors	(87)	331	83	204
Increase/(Decrease) in creditors	4,025	(17,989)	74	181
Increase/(Decrease) in grants payable	(4)	(35)	(3)	2
Share of (profit)/loss in associate				
Net (outgoing) resources from associate	89	23	-	-
Net cash (outflow) used in operating activities	(2,313)	(28,921)	(1,015)	(1,186)

19 Contingent Liabilities

Social Investment Business Foundation

If an investee of the Foundation sells an asset purchased with those Funds, the Home Office could require a partial repayment of its grant to the extent of any sales proceeds received by SIB Foundation under any security it holds over the investee. This could be regarded as a contingent liability but any obligation to pay the Home Office would be matched by Funds received from the investee.

Futurebuilders England Limited

i) The company has contingent liabilities of £69,000 in respect of Futurebuilders Fund bank guarantees made on behalf of investees (2018: £69,000). The bank guarantees become contingent liabilities once the bank guarantee agreement has been signed by FBE.

ii) FBE's contract with Cabinet Office to deliver and manage the investment portfolio of the Futurebuilders and Modernisation Funds came to an end on 31 March 2013. FBE's parent company, The Social Investment Business Limited, won a new contract to manage the fund commencing on 1 April 2013 for three years. An agreement was signed on 26 August 2015 to further extend the contract from March 2016 to March 2019. FBE entered into a portfolio holding contract with the Cabinet Office on 1 April 2013, for the duration of the contract, income will be acknowledged in the Statement of Financial Activities and the loan books represented on Balance Sheet. During 2016/17, the FBE contract was transferred from Cabinet Office to DCMS. At the end of the contract, the Funds will revert to DCMS. The total funds value at 31 March 2019 was £25,591,000 (2018: £31,100,000).

iii) The amount of loans not drawn down to beneficiaries for the Futurebuilders Fund, £243,000 (2018: £243,000) represents a contingent liability. This includes the bank guarantees made of £69,000 (2018: £69,000) as stated above i).

Social Investment Business Foundation

**Notes forming part of the financial statements
For the year ended 31 March 2019 (continued)**

20 Related Party Transactions

Hugh Rolo is a member of the SIB Foundation Board. SIB paid £1,298 in costs to Locality (2018: £81,876) relating for services relating to delivery of the Big Potential Breakthrough programme. Hugh Rolo is employed as the Director of Development at Locality.

SIB Foundation is a partner in SASC which includes; The Third Sector Loan Fund LLP and the Community Investment Fund LP. During the financial year, SIB Foundation paid SASC £416,269 in relation to these funds (2018: £1,374,239). Jeremy Newman and Julie Currie represented SIB Foundation on the SASC Board.

SIB Foundation paid SIB Limited £409k in relation to managing the Communitybuilders Fund, £104k in relation to the Big Potential management fee and £280k towards operational and premises costs. SIB Foundation received £12k in interest and £62k in capital regarding an intercompany loan between SIB Foundation and SIB Ltd.

21 Investment in Subsidiary

SIB Foundation is the parent company and sole member of SIB Limited, incorporated in England and Wales on 1 February 2008 and formed to administer the Futurebuilders Fund. SIB Limited is the parent company of FBE incorporated in England and Wales, which, up until 30 November 2012, it subcontracted the service delivery to. SIB Foundation is also the parent company and sole member of Forward Enterprise FM Limited, incorporated in England and Wales on 6 March 2018. All companies are limited by guarantee and have registered offices at CAN Mezzanine, 7 - 14 Great Dover Street, London, SE1 4YR.

A summary of the financial results of the subsidiaries are below:

Social Investment Business Foundation

Notes forming part of the financial statements For the year ended 31 March 2019 (continued)

Profit and Loss Account

	FEFM Limited	SIB Limited	SIB Limited for the year ended 31 March 2018	FBE for the year ended 31 March 2019	FBE for the year ended 31 March 2018
	for the year ended 31 March 2019	for the year ended 31 March 2019	for the year ended 31 March 2018	for the year ended 31 March 2019	for the year ended 31 March 2018
	£'000	£'000	£'000	£'000	£'000
Incoming resources	42	2,516	2,654	1,101	1,349
Resources expended	(37)	(2,438)	(2,715)	(6,616)	(6,959)
Net (deficit)/ incoming resources	5	78	(61)	(5,515)	(5,610)
Corporation tax credit/(charge)	(1)	-	-	6	-
Net (deficit)/incoming resources for the period after taxation	4	78	(61)	(5,509)	(5,610)

Balance Sheet

	FEFM Limited	SIB Limited	SIB Limited As at 31 March 2018	FBE As at 31 March 2019	FBE As at 31 March 2018
	As at 31 March 2019	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
	£'000	£'000	£'000	£'000	£'000
Fixed assets	43	20	29	23,918	29,904
Current assets					
Debtors	2	530	435	34	37
Cash at bank and in hand	35	1,244	1,259	5,844	1,614
	37	1,774	1,694	5,878	1,651
Creditors	(33)	(529)	(474)	(4,205)	(454)
Current liabilities	(33)	(529)	(474)	(4,205)	(454)
Net current assets	4	1,245	1,220	1,673	1,196
Total assets less current liabilities	47	1,265	1,249	25,591	31,100
Creditors due after more than 1 year	(43)	(266)	(328)	-	-
Net assets	4	999	921	25,591	31,100

Social Investment Business Foundation

Notes forming part of the financial statements
For the year ended 31 March 2019 (continued)

22 Guarantors

Locality (formerly The Development Trusts Association) Registered Charity no: 1036460 is the remaining founder member of SIB Foundation. The Directors appointed by the Board are the non-founder Directors. The founder and non-founder Directors are the members of the Foundation. Every member undertakes to contribute a sum not exceeding £1 to the assets of the Foundation if it is wound up during his or her membership or within one year afterwards.

23 Amounts disbursed as agent

SIB Limited manages and disburses the restricted funds below as agent, therefore the grants, related disbursements, assets and liabilities are excluded from the Group's financial statements.

Centre for Social Action Fund

	2019 £'000	2018 £'000
Balance at 1 April	-	297
CO funds received	-	-
CO funds refunded	-	(297)
	-	-
Balance unspent at 31 March	-	-

Social Enterprise Investment Fund (SEIF)

	2019 £'000	2018 £'000
Balance at 1 April	2	2
DH funds returned	(1,620)	(2,062)
Repayments from investees	1,563	2,062
DH funds refunded	(55)	2
	-	-
Disbursed to investees	-	-
Administrative costs	-	-
Balance unspent at 31 March	(55)	2

Social Investment Business Foundation

Notes forming part of the financial statements
For the year ended 31 March 2019 (continued)

MHCLG Community Rights Funds

	2019 £'000	2018 £'000
Balance at 1 April	(0)	(0)
MHCLG funds received	-	-
MHCLG funds refunded	-	-
	(0)	(0)
Disbursed to investees	-	-
Administrative costs	-	-
	-	-
Balance unspent at 31 March	(0)	(0)

Impact Readiness Fund (IRF II)

	2019 £'000	2018 £'000
Balance at 1 April	-	-
DCMS funds received	-	-
DCMS funds refunded	-	-
	-	-
Disbursed to investees	-	-
Administrative costs	-	-
	-	-
Balance unspent at 31 March	-	-

Social Investment Business Foundation

Notes forming part of the financial statements
For the year ended 31 March 2019 (continued)

Big Potential

	2019 £'000	2018 £'000
Balance at 1 April	2,486	2,695
Big Lottery funds received	1	6,774
Big Lottery funds refunded	-	66
	2,487	9,535
Disbursed to investees	(1,975)	(7,050)
Administrative costs	-	-
Balance unspent at 31 March	512	2,485

Access Reach

	2019 £'000	2018 £'000
Balance at 1 April	123	-
Access Reach funds received	4,518	1,391
Access Reach funds refunded	-	-
	4,641	1,391
Disbursed to investees	(4,143)	(1,184)
Administrative costs	(164)	(84)
Balance unspent at 31 March	334	123

Social Investment Business Foundation

Notes forming part of the financial statements
For the year ended 31 March 2019 (continued)

Access Impact

	2019 £'000	2018 £'000
Balance at 1 April	66	-
Access Impact funds received	1,792	467
Access Impact funds refunded	-	-
	<u>1,858</u>	<u>467</u>
Disbursed to investees	(1,645)	(401)
Administrative costs	-	-
	<u>-</u>	<u>-</u>
Balance unspent at 31 March	<u>213</u>	<u>66</u>