

A large, light-colored sketch of two people in profile, facing each other as if in conversation. The sketch is composed of simple, expressive lines and is positioned in the background of the lower half of the cover.

Social Investment
Business Foundation

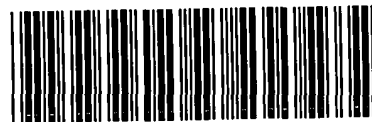
Annual Report and Consolidated Financial Statements

Year Ended 31 March 2021

Charity number 1117185

Company Number 05777484

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Trustees

Rt Hon Hazel Blears (Chair)

Hugh Rolo OBE (resigned 22nd September 2021)

James Rice

Jeremy Newman (resigned 30th January 2021)

Jenny North

Richard Pelly OBE

Robert Hewitt

Sonali Siriwardena

Jagjit Dosanjh-Elton (appointed 27th January 2021)

Edward Wallis (appointed 22nd September 2021)

Company Secretary and registered office

Nishit Chikhlia (appointed 8th July 2021)

Nicolas Temple (appointed 11th December 2020, resigned 8th July 2021)

Sarah Watson (resigned 20th November 2020))

CAN Mezzanine, 7-14 Great Dover Street, London, SE1 4YR

Charity number

1117185

Company number

05777484

Auditor

BDO LLP, Arcadia House, Maritime Walk – Ocean Village, Southampton SO14 3TL

Social Investment Business Foundation

REPORT OF THE BOARD OF TRUSTEES

The Board of Trustees of Social Investment Business Foundation (SIBF) present their report together with the audited financial statements for the Group for the year ended 31 March 2021, in accordance with the Company's governing documents. These statements have been prepared under the *Guidelines in the Accounting and Reporting by Charities: Statement of Recommended Practice, 2019 (Charities SORP) 2nd Edition*, and with the Companies Act 2006. The Trustees are also Directors of SIBF for the purposes of company law.

1 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 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

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

- investing – providing appropriate, fair and flexible finance
- partnering – to provide grants and non-financial support through strategic partnerships
- influencing – using our knowledge, data and experience to inform our own work and the wider sector

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

SIBF manages the Communitybuilders Fund and the Adventure Capital Fund, both of which invest in community based social enterprises. SIBF 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, and Futurebuilders England Limited (FBE), which holds the assets of the Futurebuilders and Modernisation Funds. SIBF 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. It is also the parent company and sole shareholder of Social Investment Business FM Ltd (SIB FM), a company limited by shares established with the sole purpose of making investments during Covid. Collectively the group of companies is referred to as Social Investment Business (SIB).

SIBF is also a shareholder and investor in Social and Sustainable Capital LLP (0C378569) (SASC).

2 The Group's specific strategic priorities for the year 2020/21 were:

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

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

2.1 Putting our customers at the heart of everything we do

At the centre of our customer work remains our community panel, which has been expanded and renewed to provide insight, expertise, and experience right at the heart of SIB's work. We were delighted to welcome a diverse mix of people from across the charitable and social enterprise sectors to the panel and have been benefiting from their help all year.

We also continue to use surveys, mystery shopping and other mechanisms to receive feedback on our work in real-time. These surveys continue to be sent out at key points to all the organisations that we work with. Alongside this regular feedback, we have continued with a robust and rigorous approach to formal complaints.

Finally, in this year dominated by COVID, the team worked extremely quickly to provide customers with variations, payment holidays, flexible terms, direct support, as well as information and advice.

2.2 Being an impactful investor and support provider

This financial year was extraordinary for SIB, with the sheer volume of work resulting in significant impact – this included establishing a new loan fund and running Covid emergency grants rounds with our partners Access, Power to Change & the Youth Endowment Fund. In total, this amounted to well over £50m of grants and loans that had not been planned when the financial year began.

There has also been good progress on embedding impact within our grant and investment operations, with improved use of data; using data smartly to inform and improve our work remains a priority.

Highlights of activity during the year under this priority include:

- Developing and launching the Resilience and Recovery Loan Fund (RRLF) through a new subsidiary SIBFM, disbursing £18m in loans and grants by 31 March 21, and eventually disbursing over £28m in loans and grants to 77 charities and social enterprises experiencing financial difficulty due to the impact of COVID-19. The Fund used the Coronavirus Business Interruption Loan Scheme (CBILS) and was made possible by investment from Big Society Capital and grant from the Access Foundation.
- Setting up and running an emergency grants round for the Youth Endowment Fund which received 1000+ applications. 130 organisations received £6.5m in total.
- Setting up and running three emergency grants rounds for Power to Change to support community businesses in need of support due to the pandemic. The Trading Income Support Scheme (TISS) distributed £4.6m, the Covid Community-Led Organisation Recovery Scheme (CCLORS) distributed £9.3m, and the Renewal Fund a further £3m+. CCLORS was particularly notable for its partnership work with the Ubele Initiative & Locality – which, along with a data-driven approach, led to 69% of the grants going to Black & Minority-led organisations, whilst 86% went to organisations supporting those communities.
- Managing existing social investment portfolios with particular flexibility during Covid, offering repayment holidays and support to investees who received finance via Futurebuilders, Communitybuilders and the Social Enterprise Investment Fund in Health (SEIF)
- Many of the smaller investment funds we manage, including the Northern Cultural Regeneration Fund, First Steps (with Asda) and the Liverpool City Region Impact Fund, were stalled somewhat by the pandemic and superseded by guarantee-backed funds. These will be revisited in the coming year.
- Continuing to deliver a successful Reach Fund and Enterprise Development Programme with the Access Foundation, providing a range of non-financial support for organisations seeking to build new enterprise models and seek investment in line with those. The latter programme has expanded its remit from youth & homelessness to mental health, inequalities, black & minority-led organisations, and the environment working with partners Centre for Youth Impact, Homeless Link, Association of Mental Health Providers, Equally Ours, the Ubele Initiative and Groundwork.
- Working with the Architectural Heritage Fund and the National Lottery Community Fund Scotland to broker and provide tailored support to charities and social enterprises to help them be more effective

2.3 Influencing and shaping the landscape to be more effective

Overall, SIBF's influence in the landscape in which it operates continues to grow through partnerships, policy work and the improved profile of our work. This is, in no small part, due to the growing work of the Learning & Influence team with projects including:

- Looking in-depth at the data and lessons from the Futurebuilders portfolio – this included looking at variations data, resilience metrics, demand-based market sizing and more.
- The Corona Shock Tracker work which used retail data to provide live and up-to-date during the pandemic on the economic effect of COVID-19, which was published in partnership with Tortoise Media Ltd.
- Increasing our data transparency through our online impact report and in our pioneering live real-time dashboard for RRLF – a first for social investment

SIB also continues to host the Diversity Forum and the Equality Impact Investing Project, providing a solid base for these important projects which aim to improve and address inequality and lack of representation in the social investment movement. SIB also now hosts the Social Investment Forum, providing secretariat to this membership group of social investors. This influence work has been supplemented by a wide range of articles, blogs and papers on shared ownership, blended capital, and effective use of data.

2.4 Building a stronger operating model and overall long-term finances

SIB's overall finances remain strong, though there have been pluses and minuses for the operating model in the last financial year – RRLF and Covid grants work led to a significant upswing in income, but a proportionate upswing in temporary and short-term expenditure; the grants partnerships with Access & Power to Change continue to strengthen, and RRLF is helping build new investment fund income as the historical portfolios decline. SIB transitioned out of the Youth Endowment Fund in this financial year, proud to have helped establish it and to have played such a significant role in its first two years of delivery.

External business development, more accurate pricing of contract delivery and cost management have all helped improve the Foundation's information and position. In addition, SIB's informed approach to provisioning means that the portfolios that SIB manages were not unduly affected by the impact of the pandemic – though this will require careful attention in the months and years ahead.

2.5 Investing in our people and systems to help achieve excellence

(a) People

Work during the year has focused on two main areas:

- Implementing a sector-leading people strategy aimed at recruiting, developing, supporting and retaining the best and most committed team – this has been evidenced in the past year by the demonstrable commitment, incredible hard work and mutual support amongst colleagues
- Equality, diversity and inclusion continues to be a strategic priority, with SIB publishing the make-up of its team and board openly, as well as its pay structures; there is an EDI plan which is reported on quarterly to the board as a standing item, which covers a wide range of areas in which the organisation is seeking to make progress

- SIBF is an accredited London Living Wage employer, and openly publishes our gender pay gap, diversity pay gap, pay ratio (1:3.9) between the lowest and highest paid employees, and anonymous team information on age, gender & ethnicity in our annual impact report on the website.

(b) Systems

There has been substantial work from the systems team during this period, continuing to improve the quality of our data and the use of the technology we have. A huge amount of work was undertaken to establish systems quickly for emergency funds, and the shift to remote working was also done seamlessly within a week – to have processed the largest volume and number of payments in our history in the year that we moved completely online is no small achievement.

We have also been successful in maintaining our ISO 9001-2015 certification and our Cyber Essentials accreditation.

3 Future Developments

The Board have agreed that the five overarching priorities remain appropriate for the organisation, though it will need to assess the landscape in the ongoing wake of Covid 19 and associated effects – with a view to a reset in the next 12 months. Specific objectives for the coming year include developing a successor fund using the available government guarantees, further embedding of data and impact in grant programmes, delivering outstanding service to our strategic grant partners, and making SIB a great place to work in a new hybrid world.

4 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 together with actions that can be or are being taken in mitigation is analysed according to its perceived potential impact, likelihood of occurrence together with actions taken in mitigation.

The risk register lists six main areas of concern, as follows, with associated mitigations:

- Performance of our investment funds and those that we manage for others
 - mitigated by clear provisions policy & scrutiny by investment committee
- Having a clear approach to impact and embedding it in our activity
 - mitigated by framework, senior oversight, internal work with teams
- Diversifying income to build a resilient business model
 - mitigated by new funds, multi-year contracts, balance sheet management
- 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, community panel and regular feedback

In addition, in this year, Covid was included as a separate risk in its own right – given the potential to impact against many of these other areas, but also in other ways that could affect the organisation and those it supports.

Trustees 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.

5 Going Concern

The Trustees have reviewed the forecasts for each company in the group, covering a period of 12 months from the date of signing these financial statements. A number of scenarios were tested, including the continuing uncertainty of the impact of COVID-19.

SIB has been able to continue working remotely, with little disruption to its work throughout. While the emergency response work will tail off into the coming 21-22 financial year, there is substantial work ongoing: portfolio management, grant partnerships, data tracker work and much more besides; as well as some good new business opportunities.

COVID-19 has not currently had as significant an effect on SIB's investees as originally feared – although the lifting of furlough and fewer grant schemes may see that impact increase gradually. Overall, the investment portfolio has performed well and been quite resilient, particularly those investees in receipt of government contracts, and there have been no substantial changes to SIB's forecasts as a result. This means that SIB's management fees for funds it manages, actual and forecast, are largely unaffected. The new RRLF fund will start to move from deployment to management in the financial year ahead, with an associated different fee structure.

Where SIB's own funds are directly invested, SIB has retained a cautious provisioning position to ensure any future risk is mitigated, and continues to monitor performance at quarterly investment committee meetings. A dedicated part of each portfolio report is given to the impact of COVID-19 and the potential impact on individual investees and the portfolio as a whole.

Based on worst-case assumptions, all companies within the group, apart from FEFM, are anticipated to have sufficient cash resources for at least 12 months following the date of signing these financial statements. FEFM has been prepared on a liquidation basis as the SIBF trustees and FEFM directors have agreed to cease operating FEFM as a separate company and transfer management of the FEFM investment portfolio to SIBF. As a result, the Trustees have not identified any material uncertainties and therefore consider it appropriate for the accounts to be prepared on a going concern basis.

6 This year's performance

The Statement of Financial Activities (SOFA) shows that the Group's unrestricted reserves decreased by £400k (2020: increase £1,046k). Restricted reserves decreased by £8,128k mainly due to funds of £7,966k being returned from Futurebuilders to the DCMS (2020: decrease £328k, nil returned to DCMS)

Unrestricted income, including transfers from restricted funds, increased by £1,518k to £3,801k (2020: £2,283k) and unrestricted expenditure increased by £2,964k to £4,201k (2020: £1,237k), due to increased activity in the year.

For full detail of this year's performance by the subsidiaries see Note 23 to the Group Accounts.

7 Reserves Policy

The Trustees have ultimate responsibility for ensuring SIBF has an effective Group Reserves Policy. The reserve policy is established to ensure that each company has adequate reserves and/or retained profits to meet the current and future needs of the business, whilst taking into consideration the requirements of the individual subsidiaries and ensuring they comply with the Charities SORP and the Companies Act 2006. The policy is 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.

SIBF'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 SIBF to develop new initiatives in support of its charitable objects. With 6 months operating costs estimated at £1,500k, the Trustees have agreed a target reserves of £1,500k to £2,000k. At the end of the year, the Group's free reserves stood at £2,699k.

8 Treasury Management Policy

SIBF 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, funds are used to support social or environmental benefit, and SIB builds relationships in the sector and influences banking attitudes to social enterprise.

SIBF has several 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 are regularly reviewed, having first been agreed by the Audit and Finance Committee in 2017, with a subsequent Ethical Banking review by the Committee in October 2018 which led to a move of money from mainstream to social banks more aligned to the Foundation's mission.

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.

9 Structure, Governance and Management

(a) Background and Legal Structure

The Group is formed as follows:

Social Investment Business Foundation
Board of Trustees report for the year ended 31 March 2021

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

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

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

FEFM and SIBFM are private companies limited by shares, with SIBF as the 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. In this financial year, the Group engaged NCVO to conduct a governance review in line with the Charity Governance Code – recommendations are being worked through and enacted.

SIBF is governed by 8 members of the Board of Trustees. During the year the following Board Sub-Committee Structure was in place:

SIBF Investment Committee (quarterly)

Group Audit & Finance Committee (quarterly)

Group Remuneration Committee (meets as required, usually annually)

FutureBuilders England Investment Committee (quarterly)

Forward Enterprise Fund Investment Committee (FEF) (as required)

SIB Limited has a Board comprising 7 Non-Executive Directors, these govern SIBL, FEFM and retain governance rights and a supervisory role over FBE. FBE's Board of Directors is the Executive Senior Management Team of SIBL. FEFM Ltd has a Board of 2 Directors drawn from the SIBF 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:

Nicolas Temple	Chief Executive
Sarah Watson	Director of Finance & Operations (to 4 November 20)
Phil King	Interim Director of Finance (from 6 January 21)
Robert Benfield	Director of Enterprise & Development
Genevieve Maitland Hudson	Director of Learning & Influence
Deborah Smart	Director of Grants
Shelby Bradley	Director of People & Values

Details of the Trustees who served during the year and to the date of signing the financial statements are shown on page 1 of this report. Five Trustees are also Directors of SIBL.

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 Trustees.

Social Investment Business Foundation
Board of Trustees report for the year ended 31 March 2021

The Trustees 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 Trustees 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 Trustees 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 Trustees 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;
- 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 receivable are presented in our accounts as "voluntary income" and includes legacies and grants.

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 accountable to the Trustees.

SIBF is not bound by any undertaking to be bound by any regulatory scheme and the SIBF 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 note 22 to the financial statements.

(f) Statement of Trustees' Responsibilities

The Trustees (who are also directors of SIBF for the purposes of company law) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charity and of the incoming resources and application of resources, including the income and expenditure, of the group for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

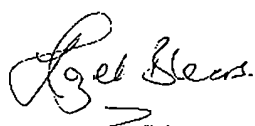
The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

(g) Disclosure of Information to Auditor

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- the Trustees 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 Trustees report, incorporating the Strategic Report was approved by the Trustees of SIB Foundation on 2nd November 2021 and signed on their behalf.



Rt Hon Hazel Blears
Chair

Date: 2nd November 2021



Jagjit Dosanjh-Elton
Trustee

Date: 2nd November 2021

Auditor's Report

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF SOCIAL INVESTMENT BUSINESS FOUNDATION

Opinion on the financial statements

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 2021 and of the Group's outgoing 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.

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 2021 which comprise the consolidated statement of financial activities, the consolidated balance sheet, 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).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and Parent Charitable Company in accordance with the ethical requirements that are 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.

Conclusions related to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Parent Charitable Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The other information comprises the Trustees Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Other Companies Act 2006 reporting

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

- the information given in the Trustees' Report, which includes the Directors' 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 is included in the Trustees' report, has been prepared in accordance with applicable legal requirements.

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 Strategic report or the Trustee's 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 Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company 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 Trustees 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 Trustees 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 Trustees either intend to liquidate the Group or the Parent Charitable Company or to cease operations, or have no realistic alternative but to do so.

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.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We considered those laws and regulations that directly affect the financial statements such as the Companies Act 2006.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements and determined the principal risks were related to inappropriate journal entries and management bias in accounting estimates.

Audit procedures performed by the engagement team included:

- We understood how the company is complying with those legal and regulatory frameworks that are significant to their activities by making enquiries to management and those responsible for legal and compliance procedures.
- Challenging assumptions made by management in their significant accounting estimates in particular in relation to loan provisioning

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

Social Investment Business Foundation
Auditor's report for the year ended 31 March 2021

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.

DocuSigned by:

David I'Anson

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David I'Anson (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor

Southampton UK

Date: 05 November 2021

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

Statement of Accounts

Social Investment Business Foundation

Consolidated Statement of Financial Activities

for the year ended 31 March 2021

Company no 05777484	Notes	Unrestricted Funds 2021 £'000	Restricted Funds 2021 £'000	Group 2021 £'000	Group 2020 £'000
Income from:					
Charitable activities:					
Investment income	2	-	1,499	1,499	1,752
Fund management income	3	1,821	683	2,504	1,233
Grant income	3	-	5,237	5,237	4,186
Other income	4	273	23	296	324
Total income		2,094	7,442	9,536	7,495
Expenditure on:					
Charitable activities:					
Fund management costs	5	(4,021)	(279)	(4,300)	(2,949)
Fund costs - grants awarded	7	-	(5,237)	(5,237)	(4,189)
Recycled amounts due to Funders	7	-	(7,966)	(7,966)	-
Share of associate (loss) for the year		(180)	-	(180)	(71)
Total expenditure		(4,201)	(13,482)	(17,683)	(7,209)
Net movement on investments					
Investment provision (increase)/decrease	7	-	(444)	(444)	342
Net (expenditure)/income		(2,107)	(6,484)	(8,591)	628
Transfers between funds	7	1,707	(1,707)	-	-
Net (expenditure)/income before tax	8	(400)	(8,191)	(8,591)	628
Corporation tax credit	10	-	63	63	90
Net movement in funds		(400)	(8,128)	(8,528)	718
Reconciliation of Funds					
Funds brought forward at 1 April		3,099	55,038	58,137	57,419
Funds carried forward at 31 March		2,699	46,910	49,609	58,137

The notes on page 19 to 38 form part of these financial statements. All activities in the current and preceding periods relate to continuing activities.

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 incurred by the Foundation was £400k (2020: surplus £358k).

Social Investment Business Foundation
Statement of Accounts for the year ended 31 March 2021

Social Investment Business Foundation

Company No 5777484

Consolidated Balance Sheet

as at 31 March 2021

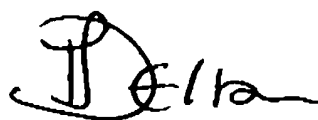
	Notes	Group		Foundation	
		2021 £'000	2020 £'000	2021 £'000	2020 £'000
Fixed Assets					
Tangible fixed assets	11	-	-	-	-
Mixed motive investments - loans to investees	12	37,911	28,008	5,273	5,742
Investments - loan to subsidiary		-	-	141	203
Investment in associate	13	-	180	-	180
Mixed motive investment in associate	13	11,500	11,500	11,500	11,500
		<u>49,411</u>	<u>39,688</u>	<u>16,914</u>	<u>17,625</u>
Current Assets					
Debtors	14	1,251	853	225	127
Amount due from group companies		-	-	90	18
Short Term Deposits		16,172	6,922	16,172	6,922
Cash at bank and in hand		11,338	19,047	3,497	14,058
		<u>28,761</u>	<u>26,822</u>	<u>19,984</u>	<u>21,125</u>
Current Liabilities					
Creditors: amounts falling due within one year	15	(2,401)	(1,109)	(367)	(395)
Grants payable	15	-	(1,144)	-	(1,144)
Amounts due to group companies		-	-	(388)	(150)
Amount due to associate		(3,245)	(2,938)	(3,245)	(2,938)
		<u>(5,646)</u>	<u>(5,191)</u>	<u>(4,000)</u>	<u>(4,627)</u>
Net Current Assets		23,115	21,631	15,984	16,498
Total Assets less Current Liabilities		72,526	61,319	32,898	34,123
Creditors: amounts falling due after more than one year					
Amounts owed to Fund co-investors	16	(20,221)	(232)	-	-
Provisions for liabilities in associate		(2,696)	(2,950)	(2,696)	(2,950)
		<u>49,609</u>	<u>58,137</u>	<u>30,202</u>	<u>31,173</u>
Net Assets					
Funds					
Unrestricted funds		2,699	3,099	1,878	2,664
Restricted funds		46,910	55,038	28,324	28,509
Total funds	17	<u>49,609</u>	<u>58,137</u>	<u>30,202</u>	<u>31,173</u>

The notes on page 19 to 38 form part of these financial statements.

These financial statements were approved by the Board of Directors on 2nd November 2021 and were signed on its behalf by:



Rt Hon Hazel Blears
Chair



Jagjit Dosanjh-Elton
Trustee

Social Investment Business Foundation
Statement of Accounts for the year ended 31 March 2021

Social Investment Business Foundation

Consolidated Cash Flow Statement

For the year ended 31 March 2021

	Notes	2021 £ '000	2020 £ '000
Net cash used in operating activities	19	10,357	(4,737)
Cash flows from investing activities			
Payment from/(to) associate		307	(1,440)
Investment income		1,499	1,752
Payments for financial investments		(16,612)	(280)
Repayments of financial investments		5,990	4,961
Net cash (used in)/generated from investing activities		(8,816)	4,993
Net Increase in cash and cash equivalents		1,541	256
Cash and cash equivalents at the beginning of the year		25,969	25,713
Cash and cash equivalents at the end of the year		27,510	25,969

Analysis of net funds	Balance at 1 April 2020 £ '000	Movement during the year £ '000	Balance at 31 March 2021 £ '000
Cash	19,047	(7,709)	11,338
Short term deposits	6,922	9,250	16,172
	<u>25,969</u>	<u>1,541</u>	<u>27,510</u>

The notes on page 19 to 38 form part of these financial statements.

Social Investment Business Foundation

Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

1 Significant accounting policies

(a) Reporting entity

The Social Investment Business Foundation (SIB Foundation) is a charity limited by guarantee and governed by the Charities Act 2011 and the Companies Act 2006 and domiciled in the United Kingdom.

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

The Group is authorised for the Communitybuilders Fund, Futurebuilders Fund and Modernisation Fund, and the Resilience and Recovery Loan Fund, as the Fund Manager, to act as the Principal therefore all transactions relating to these Funds are recorded in the Statement of Financial Activities and Balance Sheet.

The Group is authorised by 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). The Group acts as Principal for the Access Reach and Access Impact Grants.

(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 Charities Act 2011, Companies Act 2006 (FRS102), 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 second edition, October 2019). The Foundation constitutes a public benefit entity as defined by FRS 102.

(c) Going concern

The Trustees have reviewed the forecasts for each company in the group, covering a period of 12 months from the date of signing these financial statements. A number of scenarios were tested, including the material uncertainty of the impact of COVID-19.

Fortunately, despite the lockdown restrictions, SIBF has been able to continue working remotely, with little disruption to its work. It has, in fact, been able to take on additional work, helping to distribute the Resilience and Recovery Loan Funds (RRLF) through a new subsidiary established in April 2020, and

1 Significant accounting policies (continued)

to undertake several emergency grant rounds with its strategic partners. The changing pattern of working has altered SIBF's cost base, accelerating trends like remote working, with lower costs for premises and travel, but also high peak volumes of work requiring one-off temporary and interim capacity from consultants. SIBF has made no use of the government's furlough scheme.

COVID-19 had been anticipated to have a serious impact on SIBF's investees. From the start of the first lockdown, SIBF has been in direct contact with its entire portfolio and offered repayment holidays and freezes for those most in need – the organisations whose business models have been most affected. However, overall, the investment portfolio has performed well and been quite resilient, particularly those investees in receipt of government contracts, and there have been no substantial changes to SIBF's forecasts as a result. This means that SIBF's management fees for funds it manages, actual and forecast, are largely unaffected. Most of the fees for funds and programmes are fixed with limited variability.

Where SIBF's own funds are directly invested, SIBF has retained a cautious provisioning position to ensure any future risk is mitigated and is monitoring performance at quarterly investment committee meetings. A dedicated part of each portfolio report is given to the impact of COVID-19 and the potential impact on individual investees and the portfolio as a whole.

SIBF's worst-case scenario envisages no new income from business development activity, no extension of funding agreements past their contracted end dates, no staff redundancies or other cost-cutting measures, and loan repayments continuing only at the levels experienced since the start of COVID-19 restrictions.

Based on these worst-case assumptions, all companies within the group are anticipated to have sufficient cash resources for at least 12 months following the date of signing these financial statements. As a result, the Trustees have not identified any material uncertainties and therefore consider it appropriate for the accounts to be prepared on a going concern basis.

(e) Basis of consolidation

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.

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 ran 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, with the contract extended to March 2022.

1. Significant accounting policies (continued)

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 2020 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 FBE for no consideration at the end of such notice period, and
- ✎ can require FBE 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.

(f) 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 contracts might place restrictions on any gains, any cost savings are repayable to the appropriate funder on a basis specified in the contract. Fees payable to the group for the management of restricted funds are unrestricted and are transferred from restricted to unrestricted reserves.

(g) 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 2021, 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

1. Significant accounting policies (continued)

first loss provision on SASC's Third Sector Loan Fund. Based on a review of these investments, a risk-calibrated provision of £2,696k is included in the Financial Statements.

In January 2019 SIB Foundation allocated £2m out of the CIF commitment of £10m into the SASC Housing Fund (SASH)

(h) Income

All income is included in the Statement of Financial Activities when the group is legally entitled, receipt is probable and the amount can be measured reliably, and performance related conditions are fulfilled

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.

Grant income, where the Group operates as Principal, is recognised in the Statement of Financial Activities at the point where the award is known, and the group is entitled to receive it.

Funds received but not disbursed, in respect of investment and grant activity, where the Group is Agent, is not recognised in the Statement of Financial Activities but disclosed within Note 25 below.

(i) Expenditure

Expenditure is 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 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 Trustees and Committees of the Group, 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. The expenditure classed as Governance costs has been detailed in note 5, and these costs have been allocated over fund management costs on the basis of staff time spent on these activities.

1. Significant accounting policies (continued)

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 6.

Funds to be returned for recycling are recognised only when their return is formally notified, or requested, by the funder.

Grant expenditure is recognised at the point where the Group has a legal, or constructive, obligation to make a payment, the grant has been approved and communicated to the recipient. Loan offers communicated are recognised as a Financial Investment in the Balance Sheet only once a disbursement has been made to the investees.

(j) Defined contribution pension schemes

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

(k) Operating leases

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

(l) 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 their operating profits, to the extent not gift-aided to the holding charity.

(m) 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)

1. Significant accounting policies (continued)

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

(n) 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.

(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, Adventure Capital Funds and Forward Enterprise Fund 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 both specific and 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 specific provisions is £16.1m (2020: £17.5m), and the risk calibrated provision applied to the financial investments is £1.9m (2020: £1.47m)

(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 HMRC is included as part of debtors or creditors in the balance sheet.

Commitments and contingencies are disclosed exclusive of VAT.

1 Significant accounting policies (continued)

(q) Cash and cash equivalents

All cash held in accounts of less than 90-day notice is treated as Cash and, classified as a Deposit if notice is required to draw down cash.

2 Investment income

	Group 2021 £ '000	Group 2020 £ '000
By Fund		
Adventure Capital Fund (ACF)	29	127
Futurebuilders Fund	678	1,089
Modernisation Fund	1	2
Forward Enterprise FM Limited	15	14
Liverpool Local Impact Fund (Liverpool LIF)	15	17
Communitybuilders Fund	164	503
Resilience & Recovery Loan Fund	597	
	<u>1,499</u>	<u>1,752</u>
By nature:		
Interest on investments	1,498	1,589
Interest on bank deposits - restricted	1	94
Other income	-	69
	<u>1,499</u>	<u>1,752</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 2021, £1,499k of the investment income (2020: £1,752k) was attributable to restricted income funds with none (2020: Nil) being added to unrestricted funds.

3 Fund management income and Grant Income

	Group 2021 £ '000	Group 2020 £ '000
Fund Management fees:	2,504	1,233
Grants under management	5,237	4,186
Total Fund Management income	<u>7,741</u>	<u>5,419</u>

Fund management income is derived from managing grant and loan funds, of which £1,821k (2020: £ 1,179k) is unrestricted income and £682k (2020: £54k) is attributable to restricted funds. All Grants under Management are restricted income

4 Other income

	Group 2021 £ '000	Group 2020 £ '000
Other income including business support income	296	324
	<u>296</u>	<u>324</u>

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.

5 Analysis of Fund Management and Governance Costs

	Group 2021 £ '000	Group 2020 £ '000
Staff costs	1,189	1,278
Premises and operational	278	16
Legal and other professional	76	9
Depreciation	-	32
Operating leases for land and buildings	114	113
Business consultants - investee support	72	134
Other consultancy	252	85
Other direct cost	425	46
Direct fund management	16	126
Governance	407	356
Support costs	1,471	754
	<u>4,300</u>	<u>2,949</u>

6 Allocation of governance and support costs Governance and support costs comprise the following:

	Group 2021		Group 2020		Basis of apportionment
	Governance	Support costs	Governance	Support costs	
	£'000	£'000	£'000	£'000	
Staff costs	193	758	228	270	Staff time
Premises and operational	30	177	4	4	Staff time
Legal and other professional	-	32	-	6	Invoices
Board and investment committee costs	-	-	2	-	Invoices
Depreciation	-	-	8	8	Staff time
Auditors' remuneration - audit services	103	-	55	-	Governance
Auditors' remuneration - non audit services	23	-	36	-	Governance
Internal audit	4	-	(6)	-	Governance
Other consultancy	8	234	-	11	Staff time
Other direct cost	46	270	29	455	Staff time
	<u>407</u>	<u>1,471</u>	<u>356</u>	<u>754</u>	

Social Investment Business Foundation

Notes to the Consolidated Financial Statements for the year ended 31 March 2021

7 Fund costs

	Group 2021 £ '000	Group 2020 £ '000
Grants awarded	<u>(5,191)</u>	<u>4,189</u>
	Group 2021 £ '000	Group 2020 £ '000
Transfers to management fees:		
- Communitybuilders Fund	263	340
- Futurebuilders Fund	663	638
- Resilience & Recovery Loan Fund	<u>781</u>	<u>-</u>
	<u>1,707</u>	<u>978</u>

Transfer to management fee – Communitybuilders Fund represents a transfer from the restricted Communitybuilders Fund to SIB Limited as payment of the fund management fee.

Transfer to management fee – Futurebuilders Fund represents the payment of the management fee from DCMS to SIB Limited from returns to the Fund.

Transfer to management fee – Resilience & Recovery Fund represents a transfer from the restricted SIB FM funds to SIB Limited as payment for initial set-up, and loan arrangement fees.

All of these are shown as transfers between restricted and unrestricted funds on the face of the Statement of Financial Activities.

	2021 £ '000	2020 £ '000
Recycled funds due to the DCMS	<u>7,966</u>	<u>-</u>
	Group 2021 £ '000	Group 2020 £ '000
Investment provisions/write offs made in year		
<i>Write offs</i>		
Capital	75	2,045
Interest	<u>-</u>	<u>35</u>
	<u>75</u>	<u>2,080</u>
<i>Provisions</i>		
Capital	577	(4,244)
Interest	<u>46</u>	<u>(378)</u>
	<u>623</u>	<u>(4,622)</u>
<i>Other adjustments</i>		
Investment in SASC	<u>(254)</u>	<u>2,200</u>
Net (income) expenditure related to fund costs	<u>444</u>	<u>(342)</u>

8 Net Income (Expenditure) for the year

	Group 2021 £ '000	Group 2020 £ '000
Net Expenditure is stated after charging:		
Depreciation	-	47
Operating leases for land and buildings	114	113
Auditors' remuneration - audit services current year	103	55
Auditors' remuneration - non audit services	23	36
Internal audit	4	(6)

9 Staff costs

	Group 2021 £ '000	Group 2020 £ '000
Wages and salaries	1,819	1,441
Social security costs	182	152
Other pension costs	139	184
	<u>2,140</u>	<u>1,777</u>

Included in the figures above are payments made to key management personnel defined as Directors and the Group Senior Management team (CEO, Director of Finance & Operations, Director of Learning & Influence, and Director of Enterprise & Development, Director of Grants, Director of People & Values).

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 £16,647 (2020: £17,480) of which the Chair is paid at £12,480 (2020: £12,480). The Chair is paid by SIB Ltd at £24,960 via A Mon Avis Limited (2020: £24,960 of which £12,480 is recharged to SIB Foundation).

Payments are also made to the Directors of SIB Limited, a subsidiary of SIB Foundation. The total SIB Limited Director remuneration costs are £49,862 (2020: £45,480) of which £NIL (2020: £NIL) relates to pension payments. This means that the total Group Trustee and Director costs amounted to £66,509 (2020: £62,960) including pension payments of £NIL (2020: £NIL).

Remuneration for the 6 members of the Group Senior Management team totalled £529,199 (2020: 4 members, £297,578) including pension payments of £37,117 (2020: £26,185).

During the year £33,000 compensation was made to employees for loss of office (2020: £31,000).

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

Social Investment Business Foundation

Notes to the Consolidated Financial Statements for the year ended 31 March 2021

9 Staff costs (continued)

	Group 2021	Group 2020
Operational staff	34	31
Management staff	6	4
	<u>40</u>	<u>35</u>
 Number of employees in the following salary ranges:	 Group 2021	 Group 2020
£60,000 - £69,999	3	3
£70,000 - £79,999	2	-
£90,000 - £99,999 *	-	1
£100,000 - £109,999 *	1	-
	<u>6</u>	<u>4</u>

*Includes the Chief Executive

One member of operational staff was employed by the parent company SIB Foundation (2020: one).

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		Expenses	
	2021	2020	2021	2020
	£	£	£	£
Hazel Blears	24,960	24,960	-	-
Hugh Rolo	-	-	-	1,261
Jeremy Newman	10,000	12,000	-	861
Louise Keeling	5,250	7,000	-	-
Richard Pelly	7,000	7,000	-	-
Jim Rice	4,000	4,000	-	-
Jeremy Nicholls	4,000	4,000	-	260
Jenny North	4,000	4,000	-	-
Amina Ahmad	5,533	-	-	-
Jagit Dosanjh-Elton	1,436	-	-	-
Anne-Marie Vine-Lott	330	-	-	-
	<u>66,509</u>	<u>62,960</u>	<u>-</u>	<u>2,382</u>

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: 6% or 8% depending on 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.

9 Staff costs (continued)

Outstanding pension contributions for the Group at the year-end was £17,056 (2020: £3,176).

Other Board, Investment Committee and Directors' costs

A total of nil was paid in other Board, Investment Committee and Director costs in the year ended 31 March 2021 (2020: £2,382), due to Covid travel restrictions during the year.

10. Corporation tax credit

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:

	2021 £ '000	2020 £ '000
Net Income (Expenditure) - FBE, FEFM, SIB FM and SIB Ltd		
Net income(expenditure) before taxation	(7,864)	280
Tax at 19% thereon	1,493	(53)
Effects of:	-	
Expenses not deductible for tax purposes	(1,516)	
Deferred tax adjustment for tax rate change	-	13
Deferred tax not recognised	(42)	(120)
Utilisation of tax loses	120	
Adjustments in respect of the prior period	8	250
Actual current tax (charge)/credit	63	90

A potential deferred tax asset of £48,057 exists at the year-end (2020: £6,910) relating to fixed asset timing differences. This has not been recognised within the financial statements.

11 Tangible fixed assets

	Office equipment & IT £ '000
Cost	
at 1 April 2020 and 31 March 2021	244
Accumulated depreciation	
at 1 April 2020 and 31 March 2021	244
Net book value	
at 1 April 2020 and 31 March 2021	-

12 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 2 loans (2020: 2) which may be non-performing. The Trustees believe that the carrying value of the investments is supported by their underlying assets.

In year	Group		Foundation	
	2021	2020	2021	2020
	£ '000	£ '000	£ '000	£ '000
Balance at 1 April	28,008	30,491	5,742	6,528
New loans disbursed	16,612	280	268	50
Repayments received	(5,990)	(4,961)	(582)	(2,645)
Loan balance at 31 March before write off and provisions	38,630	25,810	5,428	3,933
Loans written off	(75)	(2,046)	(75)	(1,088)
Movement in provisions	(644)	4,244	(80)	2,897
	(719)	2,198	(155)	1,809
Balance at 31 March	37,911	28,008	5,273	5,742

	Group		Foundation	
	2021	2020	2021	2020
	£ '000	£ '000	£ '000	£ '000
Maturity of loans and advances:				
Within 1 year	7,772	1,597	1,058	541
Over 1 year to 5 years	22,227	11,963	2,475	2,534
Over 5 years	7,912	14,448	1,740	2,667
	37,911	28,008	5,273	5,742

12 Financial investments (continued)

	Group		Foundation	
	2021	2020	2021	2020
	£ '000	£ '000	£ '000	£ '000
Provisions brought forward 1 April	17,498	21,742	6,225	9,122
Increase in provisions	716	186	139	123
Provisions (written off)/released	(72)	(4,430)	(59)	(3,020)
Provisions carried forward 31 March	18,142	17,498	6,305	6,225

SIB Foundation

The Foundation shows an increase in provision in the year of £80k (2020 decrease £2,897k) comprising an increase in ACF of £79k (2020, increase of £123k), a decrease in Communitybuilders provision of £66k (2020: decrease £3,020k), an increase of £50k in East London IF (2020: nil) an increase of £13k in the Liverpool LIF provision (2020: no movement) and an increase of £4k (2020 no movement) in the NCRIF provision.

Futurebuilders England Limited

During the year, an additional specific provision of £270k was made on 1 loan (2020: £31k, 1 loan). Specific provisions were released across 10 loans totalling £165k (2020: £1,141k, 3 loans) In addition, the risk calibrated provision was decreased by £63k (2020 decrease: £269k)

13 Financial investments – Other Mixed Motive Investments

SASC	Group	Group
	2021	2020
	£ '000	£ '000
Movements in the carrying value of Investment in SASC		
Balance at 1 april	180	251
Share of total recognised revenues and expenses	(180)	(71)
Balance at 31 March	-	180

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 2021, SIB Foundation had committed £8m to SASC from the Communitybuilders Fund to invest into SASC's Community Investment Fund (CIF), against which there is a provision of £1,571k. SIB Foundation also committed £1.5m as first loss provision on SASC's Third Sector Loan Fund. It is estimated that £375k of the loss provision will be repaid to SIB Foundation over 10 years, and therefore a provision for the remaining £1.125m is included in the financial statements. SIB Foundation has also committed £2m to SASC's new housing fund, SASH, meaning SIB is invested in each of SASC's main funds.

Social Investment Business Foundation

Notes to the Consolidated Financial Statements for the year ended 31 March 2021

14 Debtors: amounts falling due within one year

	Group		Foundation	
	2021	2020	2021	2020
	£ '000	£ '000	£ '000	£ '000
Trade debtors	334	381	-	9
Corporation tax	-	92	-	-
Investee interest receivable	500	250	117	112
Prepayments and accrued income	388	73	108	6
Amount due from subsidiaries	-	-	90	18
Other debtors	29	57	-	-
	<u>1,251</u>	<u>853</u>	<u>315</u>	<u>145</u>

15 Creditors: amounts falling due within one year

	Group		Foundation	
	2021	2020	2021	2020
	£ '000	£ '000	£ '000	£ '000
Trade creditors	125	46	-	23
Other taxation and social security	351	196	1	5
Corporation Tax	98	-	-	-
Other creditors	1,163	205	340	179
Accruals	420	487	26	29
Amount due to subsidiaries	-	-	388	150
Deferred income	244	175	-	159
Grant funds repayable	-	1,144	-	1,144
	<u>2,401</u>	<u>2,253</u>	<u>755</u>	<u>1,689</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.

16 Creditors: amounts falling due in more than one year

	Group		Foundation	
	2021	2020	2021	2020
	£ '000	£ '000	£ '000	£ '000
Amounts owed to co-investors:				
Owed to BSC, co-investor in FEFM	246	232	-	-
Owed to Access, co-investor in FEFM	7	-	-	-
Owed to BSC, co-investor in SIBFM	19,968	-	-	-
	<u>20,221</u>	<u>232</u>	<u>-</u>	<u>-</u>

Social Investment Business Foundation

Notes to the Consolidated Financial Statements for the year ended 31 March 2021

17 Funds

<i>In year</i>	Balance 1 April 2020 £'000	Income £'000	Expenditure + Provisions £'000	Transfers £'000	Balance 31 March 2021 £'000
Group					
Futurebuilders Fund	26,517	689	(8,245)	(631)	18,330
Communitybuilders Fund	23,707	162	118	(263)	23,724
Resilience & Recovery Fund	-	1,248	(467)	(781)	-
Other Investment Funds	4,814	106	(32)	(32)	4,856
Grant Funds	-	5,237	(5,237)	-	-
Restricted Funds carried forward	55,038	7,442	(13,863)	(1,707)	46,910
Unrestricted Funds	3,099	2,094	(4,201)	1,707	2,699
Total Funds carried forward	58,137	9,536	(18,064)	-	49,609

<i>previous year</i>	Balance 1 April 2019 £'000	Income £'000	Expenditure + Provisions £'000	Transfers £'000	Balance 31 March 2020 £'000
Group					
Futurebuilders Fund	25,566	1,091	498	(638)	26,517
Communitybuilders Fund	24,769	503	(1,225)	(340)	23,707
Other Investment Funds	5,031	410	(627)	-	4,814
Grant Funds	-	4,186	(4,186)	-	-
Restricted Funds carried forward	55,366	6,190	(5,540)	(978)	55,038
Unrestricted Funds	2,053	1,305	(1,237)	978	3,099
Total Funds carried forward	57,419	7,495	(6,777)	-	58,137

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 Communitybuilders Fund provides loans, grants and business support to multi-purpose, inclusive, community-led organisations (sometimes known as Community Anchors). This restricted fund takes the form of an endowment to SIB Foundation and, in March 2021, the current restrictions will be lifted.

The Resilience & Recovery Fund was initiated to support VCSE's faced with financial difficulties due to the Covid-19 disruption and restrictions.

18 Analysis of net assets between funds

<i>In year</i>	Fixed & current assets 2021 £'000	Financial Investments 2021 £'000	Total liabilities 2021 £'000	Total Funds 2021 £'000
Restricted Funds	21,978	49,411	(24,479)	46,910
Unrestricted Funds	7,901	-	(5,202)	2,699
Total Group	29,879	49,411	(29,681)	49,609

<i>previous year</i>	2020 £'000	2020 £'000	2020 £'000	2020 £'000
Restricted Funds	21,028	39,508	(5,498)	55,038
Unrestricted Funds	6,101	180	(3,182)	3,099
Total Group	27,129	39,688	(8,680)	58,137

19 Cash Flow Statement – reconciliation of net income/(expenditure) to net cash inflow/(outflow) from operating activities

	Group 2021 £ '000	Group 2020 £ '000
Net(expenditure)/income after taxation	(8,528)	718
Investments income and bank interest received	(1,499)	(1,752)
Depreciation	-	47
Increase/(Decrease) in investment provisions/write offs	719	(2,198)
(Decrease)/Increase in associate investment provision	(254)	2,200
(Increase) in debtors	(399)	(307)
Increase/(Decrease) in creditors	20,138	(3,516)
Net outgoing from associate	180	71
Net cash generated by/(used in) operating activities	<u>10,357</u>	<u>(4,737)</u>

20 Contingent Liabilities

Social Investment Business Foundation

If an investee of the Adventure Capital Fund 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 which 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 no contingent liabilities in respect of Futurebuilders Fund bank guarantees made on behalf of investees (2020: nil). The bank guarantees become contingent liabilities once the bank guarantee agreement has been signed by FBE.
- ii) 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 8 March 2019 to further extend the contract from April 2019 to March 2022. FBE entered into a portfolio holding contract with the Cabinet Office on 1 April 2013, for the duration of the management contract. Income will be acknowledged in the Statement of Financial Activities and the loan books will be represented on the Balance Sheet. During 2016/17, the FBE contract was transferred from Cabinet Office to DCMS and, by the close of the contract, currently extended to March 2022, the Funds will revert to DCMS. The total funds value at 31 March 2021 was £18,524k (2020 £26,517k).

21 Operating lease commitments

The SIBF Group has no future minimum lease payments under non-cancellable operating leases. The office is rented under a rolling lease which is automatically renewed every 6 months, there is a 6 months termination clause in the agreement.

Social Investment Business Foundation

Notes to the Consolidated Financial Statements for the year ended 31 March 2021

22 Related Party Transactions

SIB Foundation is a partner in SASC which includes: The Third Sector Loan Fund LLP and the Community Investment Fund LP.

SIB Foundation paid SIB Limited £262k for management of the Communitybuilders Fund, and £297k towards operational and premises costs. SIB Foundation received £6k in interest and £62k in capital regarding an intercompany loan between SIB Foundation and SIB Ltd.

Hugh Rolo is a member of the SIB Foundation Board and was employed as the Director of Development at Locality until December 2020. SIB Limited paid no costs to Locality (2020: £1,261) for his services relating to delivery of the Big Potential Breakthrough programme. Until May 2021, he was also a Director of Key Fund who provided a loan of £153k for the Northern Cultural Regeneration Fund.

SIB Limited is a trading subsidiary of the SIB Foundation. SIB Foundation is a partner in SASC LLP.

23 Investment in Subsidiaries

Name	Status	Members	% owned	Registered No
<i>Parent Charity</i>				
Social Investment Business Foundation (SIBF) Charity No 1117185	Company limited by guarantee	8 Trustees are guarantors		05777484
<i>Subsidiaries:</i>				
The Social Investment Business Ltd (SIBL)	Company limited by guarantee	SIBF	100%	06490609
Futurebuilders England Ltd (FBE)	Company limited by guarantee	SIBL	100%	05066676
Forward Enterprise FM Ltd (FEFM)	Company limited by shares	SIBF	100%	11238102
Social Investment Business FM Ltd (SIB FM)	Company limited by shares	SIBF	100%	12543106
Social Investment Business Loans Ltd	Company limited by shares	SIBF	100%	13259359

All are registered in England & Wales.

All have their registered address at: CAN Mezzanine, 7-14 Great Dover Street, London SE1 4YR.

Associate:

Social and Sustainable Capital LLP (SASC)	Limited liability partnership	SIBF	29%	OC378659
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The financial results of the subsidiaries are summarised below:

Profit and Loss Account	SIB Ltd		FBE Ltd		FEFM Ltd		SIB FM Ltd
	2021 £'000	2020 £'000	2021 £'000	2020 £'000	2021 £'000	2020 £'000	2021 £'000
Income	9,650	6,284	689	1,091	70	103	1,248
Expenditure	(9,263)	(6,848)	(8,939)	(257)	(71)	(93)	(1,248)
Net income / (deficit) before tax	387	(564)	(8,250)	834	(1)	10	0
Corporation tax (charge) / credit	-	-	63	92	-	(2)	-
Net income / (deficit) for the year after tax	387	(564)	(8,187)	926	(1)	8	0

Social Investment Business Foundation

Notes to the Consolidated Financial Statements for the year ended 31 March 2021

Balance Sheet	SIB Ltd		FBE Ltd		FEFM Ltd		SIB FM Ltd
	2021 £'000	2020 £'000	2021 £'000	2020 £'000	2021 £'000	2020 £'000	2021 £'000
Fixed Assets	-		16,599	22,046	226	221	15,814
Current Assets							
Debtors	1,161	714	59	173	18	14	504
Cash at bank and in hand	1,958	658	1,874	4,322	23	10	3,986
	3,119	1,372	1,933	4,495	41	24	4,490
Current Liabilities							
Creditors	(2,156)	(734)	(202)	(24)	(3)	(231)	(336)
Net current assets/(liabilities)	963	638	1,731	4,471	38	(207)	4,154
Creditors due after more than 1yr	(141)	(203)	-	-	(253)	(2)	(19,968)
Net Assets	822	435	18,330	26,517	11	12	-

24 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.

25 Amounts disbursed as agent

SIB Limited manages and disburses the restricted funds as Principal, with the income and expenditure included in the Group Statement of Financial Activities; and as Agent, with the grants, related disbursements, assets and liabilities excluded from the Group's financial statements. The activities as Agent are shown below.

Social Enterprise Investment Fund (SEIF)	2021	2020
	£ '000	£ '000
Balance at 1 April	37	(55)
Returns to Funder (DoH)	(2,422)	(1,365)
Repayments from Investees	2,497	1,457
Balance held at 31 March	112	37
Power to Change grant programmes	2021	2020
	£ '000	£ '000
Balance at 1 April	-	-
Funds received from PTC	21,813	-
Funds disbursed to grantees	(20,131)	-
Balance held at 31 March	1,682	-
Youth Endowment Fund grant programmes	2021	2020
	£ '000	£ '000
Balance at 1 April	778	-
Funds received from YEF	12,149	5,175
Funds disbursed to grantees	(11,809)	(4,397)
Balance held at 31 March	1,118	778

Social Investment Business Foundation

Notes to the Consolidated Financial Statements for the year ended 31 March 2021

26 Statement of Financial Activities for prior year

	Notes	Unrestricted Funds	Restricted Funds	Group
	1(c)	2020 £'000	2020 £'000	2020 £'000
Income from:				
Charitable activities:				
Investment income	2	-	1,752	1,752
Fund management income	3	1,233	-	1,233
Grant income	3	-	4,186	4,186
Other income	4	72	252	324
Total income		1,305	6,190	7,495
Expenditure on:				
Charitable activities:				
Fund management costs	5	1,163	1,786	2,949
Fund costs - grants awarded	7	3	4,186	4,189
Recycled amounts due to Funders	7	-	-	-
Share of associate loss for the year	13	71	-	71
Total expenditure		1,237	5,972	7,209
Net gains on investments				
Investment provision (decrease)/increase	7	-	(342)	(342)
Net income/(expenditure)		68	560	628
Transfers between funds	7	978	(978)	-
Net income(expenditure) before tax	7	1,046	(418)	628
Corporation tax credit	10	-	90	90
Net movement in funds		1,046	(328)	718
Reconciliation of Funds				
Funds balance brought forward at 1 April		2,053	55,366	57,419
Funds balance carried forward at 31 March		3,099	55,038	58,137

27 Post Balance Sheet Event

The end of March 2021 marked ten years since the Communitybuilders repayments were endowed to Social Investment Business Foundation. As per the original agreement, the restrictions associated with that endowment are removed after a decade, which means that all Communitybuilders funds become unrestricted as from April 2021.