

**Big Issue Social Investments
Limited**

Report and Financial Statements

Year Ended

31 March 2019

Company Number 06913063

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COMPANIES HOUSE

Big Issue Social Investments Limited

Company Information

Directors

S Howard
P Bird
V Lindsay
D N Sattar

Registered number

06913063

Registered office

113-115 Fonthill Road
London
England
N4 3HH

Independent auditor

BDO LLP
55 Baker Street
London
W1U 7EU

Big Issue Social Investments Limited

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Big Issue Social Investments Limited

Directors' Report for the Year Ended 31 March 2019

The directors present their report and the financial statements for the year ended 31 March 2019 for Big Issue Social Investments Limited (the "Company").

Directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Under company law the directors 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 Company and of the profit or loss of the Company for that period.

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The principal activity of the Company is to arrange for the provision of investment financing for social enterprises in the United Kingdom on behalf of the partners of the Big Issue Invest Social Enterprise Investment Fund L.P., Big Issue Invest Social Enterprise Investment II L.P. and Big Issue Invest Outcomes Investment Fund L.P. (the Funds), of which the Company is General Partner.

Results

The profit for the year, after taxation, amounted to £98,702 (2018 - £45,008).

No dividend was paid during the year and the directors do not recommend payment of a dividend (2018 - £Nil).

Big Issue Social Investments Limited

Directors' Report (continued) for the Year Ended 31 March 2019

Directors

The directors who served during the year were:

S Howard
R Sheldon (resigned 29 June 2018)
J Montague (resigned 21 May 2019)
P Bird
V Lindsay (appointed 20 June 2018)

Qualifying third party indemnity provisions

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The company also purchased and maintained throughout the financial year directors' and officers' liability insurance in respect of itself and its directors.

Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

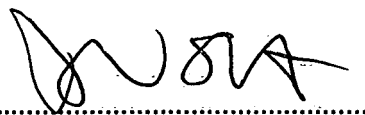
Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies exemption

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



.....
Director



Date: 17 December 2019

Big Issue Social Investments Limited

Independent Auditor's Report to the Members of Big Issue Social Investments Limited

Opinion

We have audited the financial statements of Big Issue Social Investments Limited ("the Company") for the year ended 31 March 2019 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity 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 Company's affairs as at 31 March 2019 and of its profit 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 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating 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 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.

Big Issue Social Investments Limited

Independent Auditor's Report to the Members of Big Issue Social Investments Limited (continued)

Other information

The directors 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. 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.

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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' 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 Company and its environment obtained in the course of the audit, we have not identified material misstatements in the director'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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the directors were not entitled to take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Big Issue Social Investments Limited

Independent Auditor's Report to the Members of Big Issue Social Investments Limited (continued)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors 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 determine 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 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 Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

This report is made solely to the 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 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 Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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 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 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 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 Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

Vanessa-Jayne Bradley (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

Date: 17 December 2019

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

Big Issue Social Investments Limited

Statement of Comprehensive Income for the Year Ended 31 March 2019

	Note	2019 £	2018 £
Turnover	4	943,004	1,121,106
Administrative expenses		(856,913)	(1,081,178)
Operating profit	5	86,091	39,928
Tax on profit	8	12,611	5,080
Profit for the financial year		98,702	45,008

The results stated above are derived from continuing operations.

There was no other comprehensive income for 2019 (2018 - £Nil).

The notes on pages 9 to 16 form part of these financial statements.

Big Issue Social Investments Limited

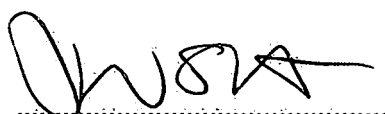
Registered number: 06913063

Statement of Financial Position as at 31 March 2019

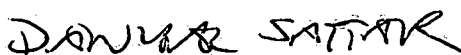
	Note	2019 £	2018 £
Fixed assets			
Investments		-	-
		<u>-</u>	<u>-</u>
Current assets			
Debtors	10	280,540	364,612
Cash and cash equivalents		113,886	45,793
		<u>394,426</u>	<u>410,405</u>
Creditors: amounts falling due within one year	11	(288,516)	(403,197)
		<u>105,910</u>	<u>7,208</u>
Net current assets		<u>105,910</u>	<u>7,208</u>
Net assets		<u><u>105,910</u></u>	<u><u>7,208</u></u>
Capital and reserves			
Share capital	13	1	1
Profit and loss account	14	105,909	7,207
		<u>105,910</u>	<u>7,208</u>
Total equity		<u><u>105,910</u></u>	<u><u>7,208</u></u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



Director



Date: 17 December 2019

The notes on pages 9 to 16 form part of these financial statements.

Big Issue Social Investments Limited

Statement of Changes in Equity for the Year Ended 31 March 2019

	Share capital £	Profit and loss account £	Total equity £
At 1 April 2018	1	7,207	7,208
Comprehensive income for the year			
Profit for the financial year	-	98,702	98,702
At 31 March 2019	1	105,909	105,910

Statement of Changes in Equity for the Year Ended 31 March 2018

	Share capital £	Profit and loss account £	Total equity £
At 1 April 2017	1	(37,801)	(37,800)
Comprehensive income for the year			
Profit for the financial year	-	45,008	45,008
At 31 March 2018	1	7,207	7,208

The notes on pages 9 to 16 form part of these financial statements.

Big Issue Social Investments Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

1. General information

Big Issue Social Investments Limited (the "Company") is a private company, limited by shares, incorporated in England & Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the Company's operations and its principal activities are set out in the directors' report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102 ("FRS 102"), the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of The Big Issue Group Limited as at 31 March 2019 and these financial statements may be obtained from the Company's registered office at 113-115 Fonthill Road, London, England, N4 3HH.

2.3 Going concern

After reviewing the Company's forecasts and projections, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

Big Issue Social Investments Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

2. Accounting policies (continued)

2.4 Turnover

Turnover represents arrangement fees paid by the partners when they contribute capital into the Funds and an annual priority profit share paid periodically by the partners to the General Partner for arranging the provision of fund management services.

The Company is entitled to an annual priority profit share from its role as General Partner in the Big Issue Invest Social Enterprise Investment Fund L.P, Big Issue Invest Social Enterprise Investment Fund II L.P and Big Issue Invest Outcomes Investment Fund L.P. In certain circumstances the annual priority profit share is advanced to the Company in the form of a non-recourse loan. Since there are no circumstances under which the Company could be required to repay the non-recourse loan, income arising from the annual priority profit share is recognised in the year it relates to irrespective of whether advanced as a non-recourse loan or as a profit share.

2.5 Investments in subsidiaries

Investments in subsidiaries are measured at cost less accumulated impairment.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.8 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Big Issue Social Investments Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

2. Accounting policies (continued)

2.9 Creditors

Short term creditors are measured at transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.10 Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

There are no estimates and judgements that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the financial year.

Big Issue Social Investments Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

4. Turnover

An analysis of turnover by class of business is as follows:

	2019 £	2018 £
Arrangement fees	-	98,877
Annual priority profit share	943,004	1,022,229
	<u>943,004</u>	<u>1,121,106</u>

All turnover arose within the United Kingdom.

5. Operating profit

The operating profit is stated after charging:

	2019 £	2018 £
Management fees	836,516	908,455
Professional fees	(46,202)	105,396
Fund administration fees	56,387	60,546
	<u>56,387</u>	<u>60,546</u>

6. Auditor's remuneration

	2019 £	2018 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	2,825	2,500
Fees payable to the Company's auditor and its associates in respect of:		
- All other services	3,503	3,480
	<u>3,503</u>	<u>3,480</u>

7. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2018 - £Nil).

Big Issue Social Investments Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

8. Taxation

	2019 £	2018 £
Corporation tax		
Adjustments in respect of previous periods	(15,735)	(1,956)
Deferred tax		
Origination and reversal of timing differences	-	(3,124)
Adjustments in respect of prior periods	3,124	-
Total deferred tax charge/(credit)	3,124	(3,124)
Taxation on loss on ordinary activities	(12,611)	(5,080)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2018 - lower than) the standard rate of corporation tax in the UK of 19.00% (2018 - 19.00%). The differences are explained below:

	2019 £	2018 £
Profit on ordinary activities before tax	86,091	39,928
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2018 - 19.00%)	16,357	7,586
Effects of:		
Expenses not deductible for tax purposes	-	19,913
Income not taxable for tax purposes	(179,171)	(194,224)
Adjustments to brought forwards values	120,029	148,657
Adjustments to tax charge in respect of prior periods	(15,735)	(1,956)
Changes to tax rates	-	369
Group relief	42,785	14,575
Adjustments to tax charge in respect of prior periods - deferred tax	3,124	-
Total tax credit for the year	(12,611)	(5,080)

Factors that may affect future tax charges

Big Issue Social Investments Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

8. Taxation (continued)

The UK government has announced future changes to the corporation tax rate. These changes will result in a continuation of the current standard rate of corporation tax of 19% from April 2019 reducing it to 17% from April 2020. As at 31 March 2019 the substantively enacted rate for the tax year ending March 2021 is 17%.

9. Investments

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Big Issue Invest Social Enterprise Investment Fund I LP	England and Wales	N/A	-%	Fund
Big Issue Invest Social Enterprise Investment Fund II LP	England and Wales	N/A	-%	Fund
Big Issue Invest Outcomes Investment Fund LP	England and Wales	N/A	-%	Fund

10. Debtors

	2019 £	2018 £
Amounts owed by group undertakings	-	42,280
Other debtors	1,954	1,956
Prepayments and accrued income	14,660	14,493
Tax recoverable	263,926	302,759
Deferred taxation	-	3,124
	280,540	364,612

All amounts under debtors fall due for payment within one year.

Big Issue Social Investments Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

11. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	17,182	27,655
Amounts owed to other participating interests	263,926	302,759
Corporation tax	-	15,735
Accruals and deferred income	7,408	57,048
	<u>288,516</u>	<u>403,197</u>

Amounts owed to group undertakings are unsecured non-interest bearing and have no fixed term for repayment.

12. Deferred taxation

	2019 £	2018 £
At beginning of year	3,124	-
Charged to profit or loss	(3,124)	3,124
At end of year	<u>-</u>	<u>3,124</u>

The deferred tax asset is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	<u>-</u>	<u>3,124</u>

13. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
1 Ordinary share of £1.00	<u>1</u>	<u>1</u>

Big Issue Social Investments Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

14. Reserves

Share capital

Called up share capital reserve represents the nominal value of the shares issued.

Profit and loss account

Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

15. Related party transactions

The Company has taken advantage of the exemption available under paragraph 33.1A of the FRS 102 not to disclose transactions with other wholly owned members of the group.

16. Ultimate parent company

The immediate parent of Big Issue Social Investments Limited is Big Issue Invest Limited. The ultimate parent undertaking and controlling party is The Big Issue Group Limited, a private company limited by guarantee, incorporated in Great Britain and registered in England and Wales.

Big Issue Invest Limited is the parent undertaking of the smallest group of undertakings to consolidate these financial statements at 31 March 2019.

The Big Issue Group Limited is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 March 2019.

The consolidated financial statements of both Big Issue Invest Limited and The Big Issue Group Limited are available from the Company's registered office at 113-115 Fonthill Road, London, England, N4 3HH.