

# **Social Investment Business Foundation**

(A Company Limited by Guarantee)

## **Annual Report and Consolidated Financial Statements**

**For the year ended 31 March 2016**

Charity no 1117185

Company no 5777484

## **Social Investment Business Foundation**

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### **Appendix 1**

Officers and Professional advisors

Members and Committee's

## **1. Report of the Board of Trustees**

The Board of Trustees of Social Investment Business Foundation (SIB Foundation) present their report together with the audited financial statements for the Group for the year ended 31 March 2016 in accordance with the Companies Act 2006 and the Company's governing documents. These statements have been prepared under the Guidelines in the Accounting and Reporting by Charities: Statement of Recommended Practice, 2005 (Charities SORP).

## **2. Objectives and Activities**

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

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

SIB Foundation has pioneered the use of loan and grant finance and support in making investments in community organisations. We are committed to making more simple finance available for charities and social enterprises, and finding new ways to connect capital to social impact.

SIB Foundation manages the Adventure Capital Fund and the Communitybuilders Fund, both of which invest in community based social enterprises. SIB Foundation is also the parent company of Social Investment Business Limited (SIB Limited), which holds and delivers fund management contracts on behalf of third parties, mainly government departments, and Futurebuilders England Limited (FBE), which holds the assets of the Futurebuilders and Modernisation Funds. Collectively the group of companies is referred to as the Social Investment Business (SIB). The Foundation is also in partnership with Social and Sustainable Capital (SASC).

## **Vision**

Our vision is of a robust and thriving civil society, well-funded and capitalised, that enriches the lives of the people and communities it serves.

## **Mission**

Our mission is to connect capital to social impact in three ways:

- To provide simple finance solutions for extraordinary charities and social enterprises, to help them grow and increase their impact.
- To create financial products which encourage mainstream investors to recognise the value of investing for social impact alongside financial return.
- To innovate and act as a catalyst in the growth of the social investment market.

The Group's objectives for the year 2015/16 were:

1. Carefully manage our existing portfolios.
2. Ensure our new loan funds are successful.
3. Continue to enhance our leading position in funding Investment Readiness and managing other grant programmes.
4. Continue to raise our profile with policy makers.
5. Develop new products and offerings to support our mission in the future.

## **STRATEGIC REPORT**

### **3. How did we do?**

This section of the report details the progress we made against our 5 key objectives for the year, each of which is detailed below:

#### **3.1 Carefully manage our existing portfolios.**

During the year we disbursed an additional £381k in loans from our own and managed loan funds, we also collected £7.1m from loan repayments. As at 31.03.16 we had outstanding loans of £50m. In the Adventure Capital Fund during 2015/16 we surpassed the 50% repayment point, meaning that over 50% of the original loans had been repaid and in the same year surpassed the 48% repayment point on the Futurebuilders Fund.

#### **3.2 Ensure our new loan funds are successful.**

The Liverpool City Region Impact Fund aims to invest its full budget of £1.88m by 30.06.16. To date we have received 103 expressions of interest totaling £7.5m and approved 6 investments totaling £1.3m.

The First Steps Enterprise Fund is a pilot £300,000 fund developed in partnership with the Asda Foundation to encourage charities and social enterprises to take their steps towards accessing the wider social investment market and more financing options. Initial take up of the offer was slow. We therefore worked with the Asda

Foundation to broaden the criteria, including making the Fund available to a wider geographic area. We expect to commit the Fund in full in 2016/17.

### **3.3 Continue to enhance our leading position in funding Investment Readiness and managing other grant programmes.**

Our work in impact readiness continues in its successful vein and an independent report published in October 2015 on the Cabinet Office funded ICR Fund stated that the fund was a pioneer in this space with most organisations suggesting that this type of support led to sustained changes in enabling them to bid and win contracts and led to a strengthening of the provider market. In total, the Fund provided grants of £13.2m which led to further funding for those organisations of £233m, a return of £18 for every £1 invested.

During 2015/16, we distributed £12.3m of grants which we managed through the following grants programmes.

- Big Potential Breakthrough/ Advanced
- Child Investment Readiness Fund
- Power to change

### **3.4 Continue to raise our profile with policy makers.**

Ahead of the 2015 General Election, we worked with the Social Economy Alliance and other partners to ensure that the importance of the social economy and social investment was recognised within each of the main parties' manifestos.

Following the election, we have continued to engage with policymakers from the main political parties. We held fringe events at the Conservative and Labour party conferences, we have engaged with Ministers and Senior Civil Servants on the design of future programmes and how they can best meet the needs of social economy organisations and fed into several consultations to share how social investment can help policy makers address specific policy issues including the HMT Spending Review and the DCMS Sports Strategy.

### **3.5 Develop new products and offerings to support our mission in the future.**

We continually update and refine our product offering throughout the year to match the current and future needs of our investees through our process of continual feedback. Towards the end of the year, we embarked on an exciting pilot with the Department for International Development to develop an investment readiness programme in Kenya and East Africa. The pilot was deemed successful and we are waiting for news on a full

implementation and possible expansion into West Africa and South East Asia. This is our first substantive work overseas.

#### **4. Future Developments**

In March 2016, we presented a three year Corporate Plan which was approved by our Board. This plan set out clearly our theory of change and through an agreed strategy a number of measureable objectives for the forthcoming year, upon which we will be held to account.

These form our hierarchy of objectives and ensure that all our activities contribute towards achieving our vision and mission. The plan is available on our website: [www.sibgroup.org.uk](http://www.sibgroup.org.uk).

The objectives agreed for the forthcoming 12 months are as follows:

- We will protect the Foundation's assets so that we can invest in high impact social investment initiatives.
- We will make better use of our data and improve our impact measurement in order to improve our products, services and processes.
- We will invest in our people and improve our systems so we have the right tools in place to achieve our vision.
- We will drive business development in order to deliver a diverse range of programmes for the benefit of social sector organisations.
- We will develop policy and influence decision makers to increase the flow of money to social sector organisations.
- We will deliver a high level of customer service and improve the customer journey for those applying to our funds.

We will be reporting back to our staff, Board and interested parties on how we are doing through our agreed Key Performance Indicators quarterly, and anticipate updating our annual achievement through this report next year.

In addition to the new Corporate Plan we have also recruited a new Chair and four new Trustees/Non-Executive Directors onto our board following the planned retirement of Stephen Bubb, Fred Worth and Anthony Cann. Further details can be found on our website.

#### **5. Main Strategic Risks**

SIB maintains a risk register which identifies the key strategic risks facing the organisation, this register is a working document and discussed and reviewed at the monthly management team meetings and then again at both the Audit and Risk Committee and Joint Board when they meet. The risk register is updated to reflect recent operational and financial developments, strategic objectives and changes in the external environment. Each risk is analysed according to its perceived potential impact, likelihood of occurrence together with actions that have or will be taken in mitigation.

At the time of the publishing of this report the risk register listed our top 12 items of concern, these can be grouped roughly into the following areas:

- Data quality, systems and staff;
- Performance of our funds and those that we manage for others; and
- Policy and support for the sector.

The 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 to changes in risk profile. Where appropriate, financial provision will be made on the balance sheet, reserves set aside or financial plans updated as necessary. In addition, the internal audit plan is developed and implemented each year is based on these risks, progress against this plan and reports from our internal audit partner Grant Thornton are monitored by the Audit and Risk committee.

## **6. Going Concern**

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

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

In addition, the Joint Board discussed and agreed the Three Year Corporate Business Plan based on information presented at the January Board meeting, showing a number of financial scenarios over the next 8 years for the group. These scenarios set out very clearly the expected operating cashflows and the underlying financial stability of the group and individual organisations within the group.

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

## **7. This year's performance**

The Statement of Financial Activities (SOFA) shows that the group made a surplus for the year of £762k. This compares to a net deficit of £60.5m in the prior year, due to the commitment to repay £60.65m of Futurebuilders recycled funds to the Cabinet Office annually until 31 March 2020. The commitment was made in the financial year of 2014/15.

Overall income decreased by £7.7m to just over £4.9m and expenditure decreased by £63.2m, mainly due to the obligation to the Cabinet Office and decreases in provisions and write offs £4.2m.

Loans and guarantees of £381k were disbursed to beneficiaries during the year (£1.6m 2014/15), comprising £128k from the Communitybuilders Fund (£1m 2014/15), £178k from the Liverpool Fund and £75k from ACF. Grants and support disbursed during the year totaled £1.9m (£2.1m 2014/15).

Regarding Social Enterprise Investment Fund (SEIF), £69k of grants were disbursed (£989k 2014/15) and £68k of loans (£277k 2014/15). The aggregate of SEIF grants offered, as disclosed in the notes to the financial statements, totaled £79.3m (£79.3m 2014/15).

## **8. Reserves Policy**

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

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

SIB Foundation's reserves policy stipulates that the cash and reserves position is to be sufficient to cover SIB Foundation for 26 week's operating costs.

## **9. Treasury Investment Policy**

SIB Foundation and the Group as a whole operate with a Treasury Management Policy, based on four key principles of Compliance, Security, Access and Yield, meaning that investments are protected, access is facilitated and, lastly, returns are optimized.

SIB Foundation has a number of bank accounts across which funds are deposited to spread risk, our policy limits a maximum of £10m in any individual bank which must be AA rated in line with our key principle of security for our assets. These limits were last reviewed and agreed at the Audit and Risk Committee on 23 February, any funds in excess of £10m at any one institution are also reviewed regularly at the Audit and Risk Committee and action agreed.

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



## **10. Structure, Governance and Management**

### **Background and Legal Structure**

The Group is formed as follows:

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

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

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

### **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.

SIB Foundation is governed by the Board of Trustees. Sub-committees of the board are outlined in Appendix 1.

SIB Limited has a Board comprising ten Non-Executive Directors, these govern SIB Limited and retain governance rights and a supervisory role over FBE. FBE's Board of Directors is the Executive Senior Management Team of SIB Limited.

For the Group as a whole we also ensure that governance and decision making processes are in line with and enable us to meet contractual obligations set in the agreements with the relevant Government department.

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

Jonathan Jenkins	Chief Executive
Caroline Forster	Director of Investments
Paul Green	Director of Finance and Corporate Resources (from 8 June 2015)
Vinay Nair	Director of Business Development (until March 31st 2016)

Details of the Trustees who served during the year and up to the date of signing the financial statements are shown in Appendix 1 of this report. Seven Trustees are also Directors of SIB Limited.

Each member agrees to contribute £1 in the event of the charity winding up. The founding members each have the right to nominate a representative to sit on the Board of Trustees.

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. In particular, 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.

## **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

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; and
- The benefits and beneficiaries are related and appropriate to the Charity's objects and aims.

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

## **Related parties**

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

## **Statement of Trustees' Responsibilities**

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

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

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

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and

hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Disclosure of Information to Auditors**

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- 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.

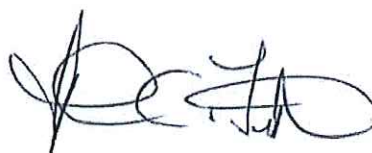
The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Approved by the Trustees of SIB Foundation on 19 July 2016 and signed on their behalf.**



**Hazel Blears**

**Chair**



**Anne Tutt**

**Treasurer**

## **Appendix 1**

### **SIB Foundation**

#### **Officers and Professional Advisers**

Company Registration Number: 5777484  
Date of Incorporation: 11 April 2006  
Charity Registration Number: 1117185  
Registered Office: CAN Mezzanine, 2nd Floor, 7-14 Great Dover Street, London SE1 4YR

The Trustees of the Company who were in office during the year and up to the date of signing the financial statements were:

#### **Until 31 March 2016**

Sir Stephen Bubb (Chair)  
Anthony Cann  
Fred Worth

#### **Throughout**

Carolyn Aitchison  
Edward Lord OBE JP  
Jeremy Newman  
Richard Pelly OBE  
Hugh Rolo  
Anne Tutt (Treasurer)

#### **From 1 April 2016**

Hazel Blears (Chair)  
Jim Rice  
Jenny North

Chief Executive: Jonathan Jenkins

Company Secretary: Jonathan Jenkins (Until July 2015)  
Paul Green (From July 2015)

Bankers: Barclays Bank PLC  
1 Churchill Place London, E14 5HP

Solicitors: Russell-Cooke LLP  
2 Putney Hill, London, SW15 6AB

Independent Auditors: BDO LLP  
Chartered Accountants and Statutory Auditors  
2 City Place, Beehive Ring Road, Gatwick,  
West Sussex RH6 0PA

**During the year the following Board Sub-Committee Structure was in place:**

ACF Investment Committee

Communitybuilders Investment Committee

Group Audit & Compliance Committee

Group Finance Committee

Group Remuneration Committee

From 1 April 2016, the ACF and Communitybuilders Investment Committees were combined

Group companies: SIB Foundation, the ultimate parent company, a charity and company limited by guarantee; SIB Limited, a company limited by guarantee and wholly owned by SIB Foundation. SIB Limited is the sole member of FBE, a company limited by guarantee. Together, the companies are referred to as 'the Group'.

Social Investment Business Foundation

Independent Auditors Report

## **INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF SOCIAL INVESTMENT BUSINESS FOUNDATION**

We have audited the financial statements of Social Investment Business Foundation for the year ended 31 March 2016 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

### **Respective responsibilities of trustees and auditor**

As explained more fully in the Statement of Trustees' Responsibilities, 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2016, and of the group's incoming resources and application of resources, including its income and expenditure, 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.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the trustees' report, which includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

Social Investment Business Foundation

Independent Auditors Report

**Matters on which we are required to report by exception**

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

- the parent charitable company has not kept adequate accounting records, 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Don Bawtree, Senior Statutory Auditor  
for and on behalf of BDO LLP, Statutory Auditor  
Gatwick

United Kingdom

Date: 20 July 2016

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

## Social Investment Business Foundation

Consolidated Statement of Financial Activities  
(Incorporating a consolidated Income & Expenditure Account)  
for the year ended 31 March 2016

Company no 5777484

		Unrestricted Funds	Restricted Funds	Group	Group
	Notes	2016 £ '000	2016 £ '000	2016 £ '000	2015 £ '000
<b>Income from:</b>					
<b>Charitable activities:</b>					
Investment income	2	-	2,672	2,672	4,000
Fund management income	3	2,289	-	2,289	2,803
Fund income	4	-	-	-	5,456
Other income	5	-	25	25	379
<b>Total income</b>		<b>2,289</b>	<b>2,697</b>	<b>4,986</b>	<b>12,639</b>
<b>Expenditure on:</b>					
<b>Charitable activities:</b>					
Fund management costs	6	2,624	1,041	3,664	4,170
Fund costs - grants offered	7	-	-	-	2,128
Cost of generating funds	6	248	-	248	273
Repayment to Cabinet Office	7	-	-	-	60,650
Net outgoing resources from associate	16	16	-	16	8
Interest transferred to Management fee	7	-	1,012	1,012	984
Social return on investment	-	-	100	100	-
Other expenditure	6	-	-	-	-
<b>Total expenditure</b>		<b>2,887</b>	<b>2,153</b>	<b>5,040</b>	<b>68,213</b>
<b>Net gains/(losses) on investments</b>					
Investment provision (increase)/decrease	7	-	816	816	(5,017)
<b>Net income/(expenditure)</b>		<b>(598)</b>	<b>1,360</b>	<b>762</b>	<b>(60,591)</b>
<b>Transfers between funds</b>	7	555	(555)	-	-
<b>Net income/(expenditure) before taxation</b>	8	<b>(43)</b>	<b>805</b>	<b>762</b>	<b>(60,591)</b>
Corporation tax credit/(charge)	10	-	-	-	89
<b>Net movement in funds</b>		<b>(43)</b>	<b>805</b>	<b>762</b>	<b>(60,502)</b>
<b>Reconciliation of Funds</b>					
Funds balance brought forward at 1 April		1,872	79,317	81,189	141,690
<b>Funds balance carried forward at 31 March</b>		<b>1,829</b>	<b>80,122</b>	<b>81,951</b>	<b>81,189</b>

There is no material difference between the net (expenditure)/income before taxation and the net (expenditure)/income for the current financial year and the previous financial year stated above and their historical cost equivalents.

All gains and losses recognised in the current year and previous year are included in the Statement of Financial Activities. All activities are continuing.

The accompanying notes form an integral part of these financial statements.



## Social Investment Business Foundation

Consolidated and Charity Balance Sheet  
as at 31 March 2016  
Company no 5777484

	Notes	Group 2016 £'000	Group 2015 £'000	Charity 2016 £'000	Charity 2015 £'000
<b>Fixed Assets</b>					
Intangible assets	11				
Tangible fixed assets	12	35	53	-	-
Mixed motive financial investments - loans to investees	13,14	50,393	56,310	13,552	14,909
Financial investments - loan to subsidiary		-	-	453	500
Financial investments - investment in associate	14	359	374	359	374
Financial investments - Social and Sustainable Capital LLP (SASC) funding (Mixed motive investment)		9,500	9,500	9,500	9,500
		<u>60,287</u>	<u>66,237</u>	<u>23,864</u>	<u>25,283</u>
<b>Current Assets</b>					
Debtors	15	940	1,122	516	616
Short Term Deposits		34,503	28,424	9,997	10,065
Cash at bank and in hand		11,035	16,891	7,824	9,442
		<u>46,478</u>	<u>46,437</u>	<u>18,337</u>	<u>20,123</u>
<b>Liabilities</b>					
Creditors: amounts falling due within one year	16	(4,554)	(583)	(127)	(369)
Recycled funds due back to the Cabinet Office		-	(4,600)	-	-
Grants payable	17	(353)	(400)	(315)	(360)
Amounts due to associate		(6,057)	(7,702)	(6,057)	(7,702)
		<u>(10,964)</u>	<u>(13,286)</u>	<u>(6,499)</u>	<u>(8,431)</u>
<b>Net Current Assets</b>		<u>35,514</u>	<u>33,152</u>	<u>11,838</u>	<u>11,692</u>
<b>Total Assets less Current Liabilities</b>		95,801	99,389	35,702	36,975
Creditors: amounts falling due after more than one year					
Provisions for liabilities - SASC coupon		(750)	(750)	(750)	(750)
Recycled funds due back to the Cabinet Office		(13,100)	(17,450)	-	-
<b>Net Assets</b>	19	<u>81,951</u>	<u>81,189</u>	<u>34,952</u>	<u>36,225</u>
<b>The funds of the charity:</b>					
Unrestricted income funds		1,829	1,872	550	531
Restricted income funds		80,122	79,317	34,402	35,694
<b>Total charity funds</b>	19	<u>81,951</u>	<u>81,189</u>	<u>34,952</u>	<u>36,225</u>

The accompanying notes form an integral part of these financial statements.

These financial statements were approved by the Board of Directors on 19 July 2016 and were signed on its behalf by:

HAZEL BLEARS  
CHAIR

ANNE TUTT  
TREASURER

**Social Investment Business Foundation**  
**Consolidated Cash Flow Statement**  
For the year ended 31 March 2016  
Company no. 5777484

	Notes	Group 2016 £ '000	Group 2015 £ '000
<b>Net cash used in operating activities</b>	21	(7,580)	(39,600)
<b>Cash flows from investing activities</b>			
Payments for fixed assets		(9)	(14)
Payment to associate/Payment for acquisition of shares in associate		(1,845)	(299)
Loss protection payment to SASC - TSLF		-	(1,500)
Investment income		2,672	4,000
Payments for financial investments		(381)	(1,647)
Repayments of financial investments		7,168	12,693
<b>Net cash from investing activities</b>		7,804	13,233
<b>Net (Decrease)/increase in cash and cash equivalents</b>		224	(26,367)
<b>Cash and cash equivalents at the beginning of the year</b>		45,315	71,682
<b>Cash and cash equivalents at the end of the year</b>		<u>45,538</u>	<u>45,315</u>
<b>Analysis of net funds</b>			
	Balance at 1 April 2015	Movement during the year	Balance at 31 March 2016
	£ '000	£ '000	£ '000
Cash	16,891	(5,856)	11,035
Short term deposits	28,424	6,079	34,503
	<u>45,315</u>	<u>223</u>	<u>45,538</u>

The accompanying notes form an integral part of these financial statements.

**Social Investment Business Foundation**  
**Notes to the Consolidated Financial Statements**  
For the year ended 31 March 2016

**1 Significant accounting policies**

**a) Reporting entity**

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

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

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

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

The Group is authorised for the Social Enterprise Investment Fund (SEIF), as the Fund Manager, to act as the Agent therefore transactions relating to the Fund are not part of the Financial Statements. Income received for managing the Fund and the cost associated with managing the Fund are recorded in the financial statements. The Group acts as the Agent in respect of the Social Action Funds, the All Wales Credit Union Support Programme, the Impact Readiness Fund, the Power to Change fund, the Childcare Investment fund, the Big Potential (Big Lottery) and the DCLG Right to Bid and Right to Challenge Funds.

**b) Basis of preparation**

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

The Foundation constitutes a public benefit entity as defined by FRS 102.

**c) Going concern**

The Directors have prepared forecasts of the company's cash and capital positions for the period ending September 2017, eighteen months from the date of these financial statements. The Trustees consider the cash and reserves position of the company to be sufficient to support the company for at least twelve months from the date of signing these financial statements taking into account the value and length of the Fund management and other contracts in place and for this reason continue to adopt the going concern basis in preparing the annual financial statements. There are no material uncertainties about the Charity's ability to continue as a going concern.

SIB Limited is a subsidiary of the Charity. At the financial year end SIB Limited had net assets of £1 275m.

**d) Basis of consolidation**

The financial statements have been consolidated on a line by line basis in accordance with FRS 102. The Foundation has taken advantage of the exemption in section 408 of the Companies Act 2006 not to present its own statement of financial activities. The deficit for the year generated by the Foundation was £1,255,000 (2015: £2,963,000).

***Futurebuilders England Limited fund treatment***

The contracts dated 1 April 2011 between the Cabinet Office and SIB Limited and between the Cabinet Office and FBE to manage the funds advanced by the 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 the 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 the Cabinet Office were treated as Restricted Funds.

This contract was replaced by a new contract between SIB Limited and the Cabinet Office which runs from 1 April 2013 to 31 March 2016. Although there are some differences between the previous contract and the new contract the governance arrangements, and the substance of the relationship between SIB Limited and the Cabinet Office with regard to the management of these funds, remain largely unchanged. An agreement was signed on 26 August 2015 to further extend the contract from March 2016 to March 2019.

In particular, the 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 2016 and the monies advanced by the Cabinet Office continue to be treated as Restricted Funds.

However, under the new contract the Cabinet Office:

- has the right to terminate the contract at any time by giving at least three months' notice;
  - will be given all shares in Futurebuilders England Limited for no consideration at the end of such notice period; and
  - can require Futurebuilders England Limited to "deal with the Funds in the manner directed by the Cabinet Office".
- If the above were to occur there would be a change in the nature of the relationship with the 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 the Cabinet Office serve notice to terminate the contract; or
  - a liability should the Cabinet Office make a request for funds to be returned to them.

**e) Fund Accounting**

**Restricted Funds**

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

**Unrestricted Funds**

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

**Social Investment Business Foundation**  
**Notes to the Consolidated Financial Statements (continued)**  
For the year ended 31 March 2016

**1 Significant accounting policies (continued)**

**f) Investments**

SIB Limited acquired a 11.11% interest, at a cost of £10,000 in Third Sector Consortia Management LLP (No. OC347365), known as 3SC. SIB Limited's interest in the partnership ended on 22 August 2014. The Group recognises its interest in 3SC at cost less impairment.

**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 2016, SIB Foundation had committed £8m to SASC from the Communitybuilders Fund to invest into SASC's Community Investment Fund. SIB Foundation also committed £1.5m as first loss provision on SASC's Third Sector Loan Fund. It is estimated that £750k of the loss provision will be repaid to SIB Foundation over 10 years, and therefore a provision for the remaining £750k is included in the financial statements.

**g) Incoming resources**

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

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

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

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

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

**h) Resources expended**

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

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

Expenditure is allocated between:

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

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

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

Governance costs are costs incurred in connection with meetings of the Board of Directors and Committees of the Company, fees paid to the statutory auditors, internal auditors and legal fees where they are not for services provided in relation to our fund management activities. These expenditure classed as governance costs has been detailed in note 7, and these costs have been allocated over fund management costs and costs of generating funds on the basis of staff time spent on these two activities.

Support costs are functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance and HR, the basis on which support costs have been allocated are set out in note 7.

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

**i) Defined contribution pension schemes**

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

**j) Operating leases**

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

**k) Taxation**

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

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

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

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

**l) Intangible fixed assets**

**Software acquisition and development**

Acquired software 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 amortisation and impairment, except for items costing less than £1,500 which are written off to the consolidated Statement of Financial Activities in the year of purchase. Costs associated with maintaining computer software are recognised as an expense when incurred.

The carrying value of a software asset is amortised on a straight-line basis over the shorter of three years or its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the Statement of Financial Activities.

**Social Investment Business Foundation**  
**Notes to the Consolidated Financial Statements (continued)**  
For the year ended 31 March 2016

**1 Significant accounting policies (continued)**

**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)

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 agreement with the investee. Loans offered and communicated but not disbursed to the investee at the balance sheet date are disclosed as contingent liabilities. Loans offered to potential investees, not requested as drawdown, at balance sheet date are disclosed as contingent assets

**o) Social Return on Investment (SROI) repayments**

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

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

**p) 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 Fund, the Modernisation Fund, the Community Builders Fund and the Adventure Capital Fund results in a further specific provision being made to the financial investments, after taking account of individual specific provisions. Provisions made during the year, less amounts released, are charged to the Statement of Financial Activities and are netted off against financial investments in the balance sheet.

**Significant judgement and estimates -provisions**

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

In respect of financial investments, the amount of risk calibrated provision applied to the financial investments this financial year is £5,898,491 (2015: £7,265,230)

**q) Value Added Tax (VAT)**

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

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

Commitments and contingencies are disclosed exclusive of VAT

**r) Reconciliation with previous Generally Accepted Accounting Practice**

In preparing the accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was required

FRS 102 requires negative goodwill defined as a gift to be recognised as income in the profit and loss. Negative goodwill on the balance sheet at 31 March 2015 was £5 388m (2014: £5.388m) and the reserves at each of these year ends have been restated to include this negative goodwill as income. No other restatements were required

In accordance with the requirements of FRS 102 a reconciliation of opening balances is provided.

Reconciliation of group funds and balances	01 April 2014 £'000	31 March 2015 £'000
Fund balances as previously stated	134,695	75,801
Negative goodwill classified as income	6,995	6,995
Amortisation of negative goodwill now reversed		(1,607)
Fund balances as restated	141,690	81,189
<b>Net movement pre and post requirements of FRS 102</b>		<b>31 March 2015 £'000</b>
Net Loss as previously stated		(58,983)
Amortisation of negative goodwill now reversed		(1,607)
Net Loss as restated		(60,591)

## 2 Investment income

	Group 2016 £ '000	Group 2015 £ '000
<i>By Fund</i>		
Unrestricted	0	(38)
ACF Fund	85	124
Futurebuilders Fund	1,861	2,938
Modernisation Fund	19	22
Liverpool LIF	23	
Communitybuilders Fund	584	954
	<u>2,672</u>	<u>4,000</u>
<i>By nature:</i>		
Interest on investments	2,351	3,568
Interest on bank deposits - restricted	221	358
Interest on bank deposits - unrestricted	0	40
Other income	100	34
	<u>2,672</u>	<u>4,000</u>

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

In 2016, of the investment income, £2,727,000 (2015: £4,038,000) was attributable to restricted income funds with the balance of (NIL) (2015: (£38,000)) adding to unrestricted funds.

Of the prior year figure of (2015: £4,000,000) all related to restricted funds.

## 3 Fund management income

	Group 2016 £ '000	Group 2015 £ '000
<i>By Fund</i>		
<i>Management fee</i>		
Futurebuilders Fund	863	820
Communitybuilders Fund	-	-
<i>Investment Readiness</i>		
Social Enterprise Investment Fund	174	289
Welsh Assembly Government	-	76
DCLG - Right to Bid	-	111
DCLG - Right to Challenge	-	313
Big Lottery Scotland	176	106
Big Venture Challenge	156	91
Centre for Social Action	52	154
Sport England	-	24
Big Potential	453	512
Local Impact Fund (LIF)	-	93
Department for Education (ICRF)	36	-
Impact Readiness Fund	92	69
Peer to Peer	24	-
Power to Change	221	3
Clare Foundation	15	-
DFID	20	-
Asda Fund	7	-
Total	<u>2,289</u>	<u>2,803</u>

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

The prior year figure of £2,803,000 all related to unrestricted funds.

## 4 Fund income

	Group 2016 £ '000	Group 2015 £ '000
<i>By Fund</i>		
ICRF	-	4,436
Liverpool LIF	-	1,020
	<u>-</u>	<u>5,456</u>

Fund income is restricted income for disbursement as grants and loans to investees.

The prior year figure of £5,456,000 all related to restricted funds.

## 5 Other incoming resources

	Group 2016 £ '000	Group 2015 £ '000
Other income including business support income	<u>25</u>	<u>379</u>
	<u>25</u>	<u>379</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 the Funds.

Of the prior year figure of £379,000; £223,000 related to unrestricted funds and £157,000 related to restricted funds.

Social Investment Business Foundation  
Notes to the Consolidated Financial Statements (continued)  
for the year ended 31 March 2016

6 Analysis of Cost of Generating Funds, Fund management and Governance

Group Activity

	Cost of generating Funds	Fund management costs	Group 2016	Group 2015
	£ '000	£ '000	£ '000	£ '000
Staff costs	134	1,382	1,516	1,555
Premises and operational	18	156	174	171
Depreciation/Amortisation	2	17	19	16
Operating leases for land and buildings	10	87	97	73
Business consultants - investee support	-	294	294	252
Other consultancy	11	105	116	256
Other direct cost	1	46	46	273
Direct fund management	-	460	460	541
Governance	14	493	507	608
Support costs	58	625	693	689
	<u>248</u>	<u>3,664</u>	<u>3,912</u>	<u>4,444</u>

The prior year figure of £4,444,000 all related to unrestricted funds.

Allocation of governance and support costs

Governance costs comprise the following:

	Group		Charity		
	Governance £'000	Support costs £'000	Governance £'000	Support costs £'000	Basis of apportionment
Staff costs	306	505	109	-	Staff time
Premises and operational	36	68	12	-	Staff time
Legal and other professional	11	21	-	142	Invoices
Board and investment committee costs	0	-	-	-	Invoices
Depreciation/Amortisation	3	7	-	-	Staff time
Auditors' remuneration - audit services	74	-	16	-	Governance
Auditors' remuneration - non audit services	17	-	-	-	Governance
Operating leases for land and buildings	14	36	-	-	Staff time
Other consultancy	16	42	-	-	Staff time
Other direct cost	30	3	51	-	Staff time
	<u>507</u>	<u>683</u>	<u>189</u>	<u>142</u>	

The above costs have been allocated to fund management costs and costs of generating funds on the basis of staff time spent in these two areas over the year.

7 Fund costs

	Group 2016	Group 2015
	£ '000	£ '000
Grants/direct support offered		
Futurebuilders Fund	-	-
Communitybuilders Fund	-	(198)
ICRF	-	2,326
	<u>-</u>	<u>2,128</u>
	Group 2016	Group 2015
	£ '000	£ '000
Transfer to management fee - Communitybuilders Fund	555	569
Interest transferred to management fee - Futurebuilders Fund	<u>1,012</u>	<u>984</u>

**Social Investment Business Foundation**  
**Notes to the Consolidated Financial Statements (continued)**  
For the year ended 31 March 2016

**7 Fund costs (continued)**

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

	2016 £ '000	2015 £ '000
Repayment to the Cabinet Office	-	60,650

The Cabinet Office has requested the return of £80.65m of Futurebuilders recycled funds over the next few years. Of this liability, At their request, £38.6m was repaid to Cabinet Office in 2015 and £4.75m in March 2016.

	Group 2016 £ '000	Group 2015 £ '000
<i>Investment provisions/write offs made in year</i>		
<i>Write offs</i>		
Capital	-	(686)
Interest	-	(110)
	-	(797)
<i>Provisions</i>		
Capital	970	(3,968)
Interest	(154)	(253)
	816	(4,220)
	816	(5,017)

Of the above reduced capital provision of £969,000 a specific charge of £978,000 (2015: £5,179,000) has been made on 8 (2015: 12) investments during the year and £766,000 (2015: £1,118,000), released from provisions including those in respect of loans written off. The remaining balance of £1,182,000 (2015: £93,000) relates to a decrease in provision based on the calibrated risk approach. The interest provision has increased by £154,000 (2015: increased by £253,000) and is attached to the specific provision. The above capital provisions also includes amounts related to guarantees.

Of the prior year figures, all related to restricted funds.

**8 Net income for the year**

	Group 2016 £ '000	Group 2015 £ '000
Net income is stated after charging:		
Depreciation/Amortisation	19	26
Operating leases for land and buildings	97	105
Auditors' remuneration - audit services current year	46	18
Auditors' remuneration - non audit services	17	7
Internal audit	28	39

**9 Staff costs**

	Group 2016 £ '000	Group 2015 £ '000	Charity 2016 £ '000	Charity 2015 £ '000
Wages and salaries	2,028	1,949	276	271
Social security costs	196	205	30	28
Other pension costs	178	180	45	29
	2,402	2,334	351	328

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

The payments to Trustees of the SIB Limited and SIB Foundation Board are for their services to the Group. Authority for remunerating Trustees is included within the memorandum and articles of SIB Foundation. The total SIB Foundation Trustee remuneration is £33,119 (2015: £33,124) of which Sir Stephen Bubb is the highest paid at £11,119 (2015: £11,119).

Payments are also made to the Directors of SIB Limited, a subsidiary of SIB Foundation. The total SIB Limited Director remuneration costs are £85,092 (2015: £82,122) of which £13,259 (2015: £11,931) relates to pension payments. This means that the total Group Trustee and Director costs amounted to £118,212 (2015: £115,252) including pension payments of £13,259 (2015: £11,931).

Remuneration for the Group Senior Management team totalled £304,300, (2015: £421,883) including pension payments of £59,094 (2015: £75,101)

During the year ENIL compensation was made to employees for loss of office (2015: £21,900).

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

	Group 2016	Group 2015	Charity 2016	Charity 2015
Operational staff	42	41	4	3
Management staff	3	5	1	1
	45	46	5	4
<i>Number of employees in the following salary ranges:</i>				
	Group 2016	Group 2015	Charity 2016	Charity 2015
£60,000 - £69,999	5	3	-	-
£70,000 - £79,999	-	3	-	1
£80,000 - £89,999	2	-	1	-
£90,000 - £99,999	-	-	-	-
£100,000 - £109,999 *	1	1	-	-
	8	7	1	1

\*Includes the Chief Executive Officer



**Social Investment Business Foundation**  
**Notes to the Consolidated Financial Statements (continued)**  
For the year ended 31 March 2016

**9 Staff costs (continued)**

**Board, Investment Committee and Trustees' remuneration**

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

	Salary		Pension		Expenses	
	2016	2015	2016	2015	2016	2015
	£	£	£	£	£	£
Stephen Bubb	37,952	38,120	13,259	11,931	207	-
Anne Tull	18,000	18,288	-	-	2,595	2,785
Anthony Cann	4,000	4,000	-	-	-	-
Edward Lord	4,000	4,000	-	-	-	-
Fred Worth	10,000	11,158	-	-	3,229	4,169
Jeremy Newman	7,000	7,000	-	-	293	274
Carolyn Alchison	8,000	8,006	-	-	46	-
Louise Keeling	4,000	4,000	-	-	-	31
Richard Polly	4,000	2,867	-	-	151	-
Kevin Carey	-	-	-	-	-	418
Crispin Blunt	4,000	4,000	-	-	-	-
Anand Shukla	4,000	882	-	-	10	17
	<u>104,952</u>	<u>103,321</u>	<u>13,259</u>	<u>11,931</u>	<u>6,531</u>	<u>7,695</u>

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

**Pensions**

SIB Foundation and SIB Limited operate a defined contribution pension scheme open to all staff employees (including Directors), administered by AEGON, and pays employer's contributions at three different rates: 6.79%, 9.06% and 11.33% depending on the level of employee contribution.

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

Outstanding pension contributions for the Group at the year end were £21,403 (2015: £22,460).

**Other Board, Investment Committee and Trustee's costs**

A total of £11,585 was paid in other Board, Investment Committee and Trustee costs in the year ended 31 March 2016. A contribution of £2,042 (2015: £1,750) for secretarial and administrative support was paid to Acovo, £863 (2015: £2,500) relates to trustee indemnity insurance, there were no costs (2015: £8,000) for braille translation paid to Humanity this year and £8,690 (2015: £5,000) represents trustees' expenses, mainly travel, paid to 3 trustees during the period.

**10 Corporation tax credit/(charge)**

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

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

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

	2016 £ '000	2015 £ '000
<b>Incoming resources - FBE and SIB Limited</b>		
Net incoming resources before taxation	2,417	(57,621)
Tax at 20% (2015: 21%) thereon	(505)	12,773
Effects of:	-	-
Income not taxable for tax purposes	-	(932)
Expenses not deductible for tax purposes	1	(12,340)
Capital allowances in excess of depreciation	-	-
Movement in short term timing differences	-	-
Deferred tax not recognised	504	499
Utilisation of tax losses	-	-
Tax at marginal rate	-	-
Adjustments in respect of the prior period	-	(89)
	<u>-</u>	<u>-</u>
Actual current tax (charge)/credit	<u>(0)</u>	<u>89</u>

**Factors that may affect the future tax charge:**

A potential deferred tax asset of £19,025 exists at the year end (2015: £6,456) relating to fixed asset timing differences. This has not been recognised within the financial statements.

**11 Intangible fixed assets**

	Software £ '000	Total £ '000
<b>Group:</b>		
<b>Cost</b>		
at 1 April 2015	52	52
Additions	-	-
at 31 March 2016	<u>52</u>	<u>52</u>
<b>Accumulated amortisation</b>		
at 1 April 2015	52	(19,799)
Charge for year	0	0
at 31 March 2016	<u>52</u>	<u>52</u>
<b>Net book value</b>		
at 31 March 2016	<u>(0)</u>	<u>(0)</u>
at 31 March 2015	<u>0</u>	<u>(5,388)</u>

**Social Investment Business Foundation**  
**Notes to the Consolidated Financial Statements (continued)**  
For the year ended 31 March 2016

**12 Tangible fixed assets**

	Leasehold Fixtures & £ '000	Office Equipment & IT £ '000	Total £ '000
<b>Group:</b>			
Cost			
at 1 April 2015	120	116	236
Additions	-	9	9
at 31 March 2016	120	125	245
<b>Accumulated depreciation</b>			
at 1 April 2015	103	80	183
Charge for year	8	19	27
at 31 March 2016	111	99	210
<b>Net book value</b>			
at 31 March 2016	9	26	35
at 1 April 2015	17	36	53

All tangible fixed assets are held by SIB Limited.

**13 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 8 loans (2015: 11) which may be non-performing.  
The Trustees believe that the carrying value of the investments is supported by their underlying assets.

*Cumulative*

	Group 2016 £ '000	Group 2015 £ '000	Charity 2016 £ '000	Charity 2015 £ '000
Loans disbursed	153,895	153,514	28,245	25,884
Loans transferred from FBE	-	-	4,258	4,258
Repayments received	(68,817)	(61,648)	(7,149)	(5,936)
Loan repayment received (Social Return on Investment)	(829)	(729)	(829)	(729)
Transfer loan to grant	(288)	(288)	(288)	(288)
Loan balance at 31 March before write off and provisions	83,961	90,848	22,237	23,169
Loans written off	(9,152)	(9,152)	(946)	(846)
Bad debt provision	(24,416)	(25,386)	(7,739)	(7,314)
	(33,568)	(34,538)	(8,685)	(8,261)
<b>Balance at 31 March</b>	<b>50,393</b>	<b>56,310</b>	<b>13,552</b>	<b>14,909</b>

*In year*

	Group 2016 £ '000	Group 2015 £ '000	Charity 2016 £ '000	Charity 2015 £ '000
Balance at 1 April	56,310	72,008	14,909	18,372
New loans disbursed	381	1,647	381	1,587
Repayments received	(7,168)	(12,692)	(1,213)	(943)
Loan repayment received (Social Return on Investment)	(100)	-	(100)	-
Transfer loan to grant	-	-	-	-
Loan balance at 31 March before write off and provisions	49,423	60,963	13,977	19,016
Loans written off	0	(686)	0	(106)
Bad debt provision	970	(3,967)	(425)	(4,001)
	970	(4,653)	(425)	(4,107)
<b>Balance at 31 March</b>	<b>50,393</b>	<b>56,310</b>	<b>13,552</b>	<b>14,909</b>

	Group 2016 £ '000	Group 2015 £ '000	Charity 2016 £ '000	Charity 2015 £ '000
<b>Maturity of loans and advances:</b>				
Within 1 year	1,520	3,038	623	672
Over 1 year to 5 years	6,663	7,332	4,001	2,328
Over 5 years	42,210	45,940	8,928	11,909
	50,393	56,310	13,552	14,909

At 31 March 2016 there are loans to the value of £120,000 (2015: £220,000) which are potentially repayable by social outputs.

All investments are UK based. Investments are based on agreements ranging in length from 1 to 27 years with interest rates of up to 5%

*Investment Provisions (capital)*

	Group 2016 £ '000	Group 2015 £ '000	Charity 2016 £ '000	Charity 2015 £ '000
Provisions brought forward	25,388	21,419	7,314	3,313
Increase in provisions	772	4,694	549	4,107
Provisions (written off)/released during the year	(1,742)	(725)	(124)	(106)
<b>Provisions carried forward</b>	<b>24,418</b>	<b>25,388</b>	<b>7,739</b>	<b>7,314</b>

Social Investment Business Foundation  
Notes to the Consolidated Financial Statements (continued)  
For the year ended 31 March 2016

13 Financial Investments (continued)

SIB Foundation

The charity shows an increase in provision in the year of £425,000 comprising a decrease in ACF funds of £13,000 (2015: increase of £7,000) and Communitybuilders increase of £438,000. The movement in ACF funds provision is explained by a decrease in general provision of £13,000 (2015: £1,000 increase). The increase in Communitybuilders provision is explained by additional specific provisions against four Communitybuilders investees and a release of provisions against two investees totalling £633,000 (2015: £3,625,000) and an increase in calibrated risk provision of £195,000 (2015: £369,000) in respect of Communitybuilders investees.

Futurebuilders

During the year, no (2015: 3) loans or guarantees (2015: 1) were written off, comprising loans of £NIL (2015: £548,000) and £NIL of guarantees (2015: £32,000). In addition, there were no capital adjustments (2015: £37,000).

Specific provisions for 4 loans totalling £223,000 (2015: £1,443,000, 5 loans) were made during the year. In addition to this, a risk calibrated provision reduction of £974,000 was made (2015 decrease: £465,000) and provisions for 18 loans totalling £644,000 were released (2015: £1,012,000, 21 loans).

14 Financial Investments - other mixed motive Investments

3SC

	Group 2016 £ '000	Group 2015 £ '000
Movements in the carrying amount of investments in 3SC		
Balance at 1 April	10	10
	(10)	(10)
Balance at 31 March	-	-

SIB Limited acquired an 11.11% interest, at a cost of £10,000, on 2 February 2010 in Third Sector Consortie Management LLP (No. OC347365), known as 3SC. SIB Limited's interest in the partnership ended as of the 22 August 2014. A provision has been made against the £10,000 investment in the current year. The LLP was established to manage and deliver public and community services through its civil society collaborator and suppliers, promoting industry and commerce and supporting the community benefit activities of the Members, including promoting social welfare and health and providing assistance to unemployed and disadvantaged persons, children and young people.

SASC

	Group 2016 £ '000	Group 2015 £ '000
Movement in the carrying amount of Investments in SASC		
Balance at 1 April	374	382
Share of turnover/(loss) in associate	(15)	(8)
Balance at 31 March	359	374
Income/(expenditure) from interest in associate undertaking		
	Group 2016 £ '000	Group 2015 £ '000
Revenue	724	609
Operating expenses	(754)	(624)
Profit/(loss) after drawings	(30)	(15)

Share of net assets of associate

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

As at 31 March 2016, SIB Foundation's share of net assets in SASC amounted to £359,000. This decrease of £141,000 on the initial investment of £500,000 in SASC is as a result of SIB Foundation accounting for the 51% share of losses suffered by SASC to date.

15 Debtors: amounts falling due within one year

	Group 2016 £ '000	Group 2015 £ '000	Charity 2016 £ '000	Charity 2015 £ '000
Trade debtors	260	51	18	0
Amounts due from subsidiary undertakings	-	-	-	5
Corporation tax	(0)	1	-	-
Investee interest receivable	524	823	476	491
Prepayments and accrued income	150	242	22	119
Other debtors	6	5	-	1
	940	1,122	516	616

Social Investment Business Foundation  
Notes to the Consolidated Financial Statements (continued)  
For the year ended 31 March 2016

16 Creditors: amounts falling due within one year

	Group 2016 £ '000	Group 2015 £ '000	Charity 2016 £ '000	Charity 2015 £ '000
Trade creditors	67	171	(5)	4
Amounts due to subsidiary undertakings	-	(1)	-	129
Amounts due to parent	-	-	-	-
Corporation tax	-	-	-	-
Other taxation and social security	52	65	29	32
Other creditors	4,225	4,622	(0)	4
Accruals	188	307	81	182
Deferred income	22	19	22	19
	<u>4,554</u>	<u>5,183</u>	<u>127</u>	<u>369</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.

17 Grants payable

In year

	Group 2016 £ '000	Group 2015 £ '000	Charity 2016 £ '000	Charity 2015 £ '000
Grants payable at 1 April	400	3,311	360	1,120
Grants (withdrawn)/offered	30	2,127	32	(198)
Grants paid	(77)	(5,038)	(77)	(562)
Refund of grants paid	-	-	-	-
Grant commitments withdrawn	-	-	-	-
Grants payable at 31 March	<u>353</u>	<u>400</u>	<u>315</u>	<u>360</u>
Less than one year	<u>353</u>	<u>400</u>	<u>315</u>	<u>360</u>

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

Grants awarded	2016 Number of organisations	2016 Value £ '000	2015 Number of organisations	2015 Value £ '000
Community Cohesion	-	32	14	(196)
Investment/Impact and contract readiness	-	-	40	2,326
	<u>-</u>	<u>32</u>	<u>54</u>	<u>2,128</u>

18 Commitments under operating leases

Total commitments under non-cancellable operating leases are as follows:

	Group 2016 £ '000	Group 2015 £ '000	Charity 2016 £ '000	Charity 2015 £ '000
Total commitment on leases expiring:				
Within 1 year	0	73	-	-
Within 2 to 5 years	-	105	-	-
	<u>0</u>	<u>178</u>	<u>-</u>	<u>-</u>

19 Reserves/Funds

	Balance at 1 April 2015 £ '000	Incoming resources £ '000	(Investment) income £ '000	Resources expended including corporation tax £ '000	Balance at 31 March 2016 £ '000
<b>Group</b>					
<b>Restricted funds:</b>					
ACF general fund	5,552	-	85	(603)	4,835
London BDG Fund	2	-	-	-	2
Futurebuilders Fund	37,302	-	1,961	213	39,475
Modernisation Fund	6,149	-	19	77	6,245
Communitybuilders Fund	28,272	-	584	(1,261)	27,595
Liverpool LIF	2,040	-	23	(93)	1,970
<b>Restricted funds carried forward</b>	<u>79,317</u>	<u>-</u>	<u>2,672</u>	<u>(1,867)</u>	<u>80,122</u>
<b>Unrestricted funds</b>	<u>1,872</u>	<u>2,844</u>	<u>-</u>	<u>(2,887)</u>	<u>1,829</u>
<b>Total funds carried forward</b>	<u>81,189</u>	<u>2,844</u>	<u>2,672</u>	<u>(4,754)</u>	<u>81,891</u>

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

The London BDG Fund is for grants and support to community organisations in London to develop enterprise activities.

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

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

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

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

The iCRF fund (grants) enables social ventures to access new forms of investment and compete for public service contracts.

## 20 Analysis of net assets between funds

	Fixed assets and current assets	Financial investments	Total liabilities	Total funds
	2016	2016	2016	2016
	£ '000	£ '000	£'000	£ '000
<b>Group</b>				
ACF general Fund	2,325	3,268	(758)	4,835
London BDG Fund	2	-	-	2
Futurebuilders Fund	19,970	36,843	(17,338)	39,475
Modernisation Fund	6,248	(3)	-	6,245
Communitybuilders Fund	14,301	19,657	(6,363)	27,595
Liverpool LIF	1,483	487	-	1,970
<b>Restricted funds</b>	<b>44,330</b>	<b>60,252</b>	<b>(24,460)</b>	<b>80,122</b>
<b>Unrestricted funds</b>	<b>2,182</b>	<b>1</b>	<b>(354)</b>	<b>1,829</b>
<b>Total Group</b>	<b>46,512</b>	<b>60,253</b>	<b>(24,814)</b>	<b>81,951</b>

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

	Group 2016 £ '000	Group 2015 £ '000	Charity 2016 £ '000	Charity 2015 £ '000
Net incoming resources after taxation	762	(58,894)	(1,253)	(2,963)
Investments income and bank interest received	(2,672)	(4,000)	(692)	(943)
Depreciation/Amortisation	27	25	-	-
Goodwill amortisation	-	(1,607)	-	-
Fixed asset disposal	-	9	-	-
Increase in financial investment provisions/write offs	(976)	4,654	486	4,016
Financial investments repaid by social return	100	(0)	100	(0)
(Increase)/Decrease in debtors	182	1,216	101	96
Increase/(Decrease) in creditors	(4,978)	21,900	(242)	295
Increase/(Decrease) in grants payable	(47)	(2,811)	(45)	(759)
Net (outgoing) resources from associate	16	6	-	8
Net cash (outflow)/used in operating activities	(7,580)	(39,600)	(1,545)	(260)

## 22 Contingent Liabilities

### Social Investment Business Foundation

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

### Futurebuilders England Limited

i) The company has contingent liabilities of £69,000 in respect of Futurebuilders Fund bank guarantees made on behalf of investees (2015: £69,000). The bank guarantees become contingent liabilities once the bank guarantee agreement has been signed by FBE.

ii) FBE's contract with Cabinet Office to deliver and manage the investment portfolio of the Futurebuilders and Modernisation Funds came to an end on 31 March 2013. FBE's parent company, The Social Investment Business Limited, won a new contract to manage the fund commencing on 1 April 2013 for three years. An agreement was signed on 26 August 2015 to further extend the contract from March 2016 to March 2019. FBE entered into a portfolio holding contract with the Cabinet Office on 1 April 2013, for the duration of the contract, income will be acknowledged in the Statement of Financial Activities and the loan books represented on Balance Sheet. At the end of the contract, the Funds will revert to Cabinet Office. The total funds value at 31 March 2016 was £45,721,000 (2015: £43,452,000).

iii) The amount of loans not drawn down to beneficiaries for the Futurebuilders Fund, £120,000 (2015: £120,000) represents a contingent liability. This includes the bank guarantees made of £69,000 (2015: £69,000) as stated above i).

## 23 Related Party Transactions

SIB Foundation is a partner in SASC which includes; The Third Sector Loan Fund LLP and the Community Investment Fund LP. During the financial year 2015/16 SIB Foundation paid SASC £1,645,182 in relation to these funds. Carolyn Aitchison and Anne Tuit represent SIB Foundation on the SASC Board. Carolyn Aitchison is a member of SASC's Investment Committee. Both report to the SIB Foundation Board on SASC.

SIB Foundation paid SIB Limited £638k in relation to managing the Communitybuilders Fund, £453k in relation to the Big Potential management fee and £326k towards operational and premises costs. SIB Foundation received £17k in interest regarding an intercompany loan between SIB Foundation and SIB Limited.

**Social Investment Business Foundation**  
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For the year ended 31 March 2016

**24 Investment in Subsidiary**

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

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

**Profit and Loss Account**

	SIB Limited for the year ended 31 March 2016 £'000	SIB Limited for the year ended 31 March 2015 £'000	FBE for the year ended 31 March 2016 £'000	FBE for the year ended 31 March 2015 £'000
Incoming resources	3,236	8,025	1,980	2,950
Resources expended	(3,488)	(6,422)	(2,313)	(62,184)
Net (deficit)/incoming resources	(252)	1,603	(333)	(59,223)
Corporation tax credit/(charge)	-	89	-	-
Net (deficit)/incoming resources for the period after taxation	(252)	1,692	(333)	(59,223)

**Balance Sheet**

	SIB Limited As at 31 March 2016 £'000	SIB Limited As at 31 March 2015 £'000	FBE As at 31 March 2016 £'000	FBE As at 31 March 2015 £'000
<b>Fixed assets</b>	35	53	36,840	41,400
<b>Current assets</b>				
Debtors	442	324	47	352
Cash at bank and in hand	1,544	2,022	26,172	23,788
	1,986	2,346	26,219	24,140
<b>Current liabilities</b>				
Creditors	(293)	(372)	(4,238)	(4,638)
Net current assets	1,693	1,974	21,981	19,502
<b>Total assets less current liabilities</b>	1,728	2,027	58,821	60,902
<b>Creditors due after more than 1 year</b>	(453)	(500)	(13,100)	(17,450)
<b>Net assets</b>	1,275	1,527	45,721	43,452

**25 Guarantors**

Locality (formerly The Development Trusts Association) Registered Charity no: 1036460 and TSELF, The Social Enterprise Loan Fund (formerly Local Investment Fund) registered charity no: 1042514 are the founders of SIB Foundation. The trustees appointed by the board are the non-founder trustees. Each of the founder and non-founder trustees are the members of the charity. Every member undertakes to contribute a sum not exceeding £1 to the assets of the company if it is wound up during his or her membership or within one year afterwards.

**26 Amounts disbursed as agent**

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

**Centre for Social Action Fund**

	2016 £'000	2015 £'000
Balance at 1 April	121	117
CO funds received	1,352	14,221
CO funds refunded	152	39
	1,625	14,377
Disbursed to Investees	(1,300)	(14,256)
Administrative costs		
<b>Balance unspent at 31 March</b>	<b>325</b>	<b>121</b>

Social Investment Business Foundation  
Notes to the Consolidated Financial Statements (continued)  
For the year ended 31 March 2016

27 Amounts disbursed as agent (continued)

Social Enterprise Investment Fund (SEIF)

	2016 £'000	2015 £'000
Balance at 1 April	2	2477
DH funds received	(1,661)	(2,917)
Repayments from investees	1,824	1,708
DH funds refunded		
	<u>165</u>	<u>1,267</u>
Disbursed to investees	(163)	(1,255)
Administrative costs		
Balance unspent at 31 March	<u>2</u>	<u>2</u>

DCLG Community Rights Funds

	2016 £'000	2015 £'000
Balance at 1 April	512	3,824
DCLG funds received	-	8,092
DCLG funds refunded	34	64
	<u>546</u>	<u>11,980</u>
Disbursed to investees	(382)	(11,468)
Administrative costs		
Balance unspent at 31 March	<u>164</u>	<u>512</u>

Welsh Assembly Government Fund (AWCUSP)

	2016 £'000	2015 £'000
Balance at 1 April	0	76
Welsh Government funds received	-	98
Welsh Government funds refunded	0	174
	<u>0</u>	<u>174</u>
Disbursed to investees	-	(174)
Administrative costs		
Balance unspent at 31 March	<u>0</u>	<u>0</u>

Impact Readiness Fund (IRF II)

	2016 £'000	2015 £'000
Balance at 1 April	-	-
Cabinet Office funds received	1,856	1,968
Cabinet Office funds refunded	-	-
	<u>1,856</u>	<u>1,968</u>
Disbursed to investees	(1,652)	(1,968)
Administrative costs		
Balance unspent at 31 March	<u>204</u>	<u>-</u>

Big Potential

	2016 £'000	2015 £'000
Balance at 1 April	536	-
Big Lottery funds received	3,117	1,008
Big Lottery funds refunded	-	-
	<u>3,653</u>	<u>1,008</u>
Disbursed to investees	(2,618)	(472)
Administrative costs		
Balance unspent at 31 March	<u>1,035</u>	<u>536</u>

Power to Change (PTC)

	2016 £'000	2015 £'000
Balance at 1 April	-	-
Power to Change funds received	3,298	-
Power to Change funds refunded	-	-
	<u>3,298</u>	<u>-</u>
Disbursed to investees	(3,298)	-
Administrative costs		
Balance unspent at 31 March	<u>0</u>	<u>-</u>

