

BIG ISSUE INVEST TRUST
(A company limited by guarantee)
**TRUSTEES' REPORT AND FINANCIAL
STATEMENTS**
FOR THE YEAR ENDED 31 MARCH 2022

BIG ISSUE INVEST TRUST
(A company limited by guarantee)
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BIG ISSUE INVEST TRUST

(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2022**

Trustees	Parveen Bird, Trustee Roger Hooley, Trustee Mohamed Omer, Trustee Lucy Findlay, Trustee Rebecca Perlman, Chair Timothy West, Trustee John Gilligan, Trustee
Company registered number	02995859
Charity registered number	1042514
Registered office	113-115 Fonthill Road London N4 3HH
Independent auditor	Blick Rothenberg Audit LLP Chartered Accountants 16 Great Queen Street Covent Garden London WC2B 5AH
Bankers	National Westminster Bank plc 63 Piccadilly London W1J 0AJ
Solicitors	Squire Sanders Trinity Court 16 John Dalton Street Manchester M60 8H8

BIG ISSUE INVEST TRUST**(A company limited by guarantee)****TRUSTEES' REPORT****FOR THE YEAR ENDED 31 MARCH 2022**

The trustees present their annual report together with the audited financial statements of the Charity for the year 1 April 2021 to 31 March 2022. The annual report serves the purposes of both a trustees' report and a directors' report under company law. The trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Welcome to the 2022 Trustees' Report for The Big Issue Invest Trust (BIIT). Our Report has been prepared under the requirements of the Companies Act 2006, and Statement of Recommended Practice (SORP 2nd Edition effective 1 January 2019) applicable to Charities preparing their accounts in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The Big Issue Invest Trust was established in 1994 (originally called the Local Investment Fund and subsequently called The Social Enterprise Loan Fund) and is a Social Investment Financial Intermediary ("SIFI").

BIIT provides grants to sustainable charities and social enterprises in some of the most deprived areas of the UK which cannot otherwise raise financing from high street lenders. Over the past year we have provided £357,300 (2021 – £479,000) of grants to social enterprises to encourage the development of social trading.

We are confident that our grant programme which focuses on development assistance will demonstrably help social enterprises and charities to deliver social impact and we hope to raise further funding to deliver similar grant programmes.

On behalf of everyone at BIIT, we would like to thank our various partners, especially our previous and current banking partners, funders and investees for their ongoing support.

Parveen Bird

Parveen is a Director on The Big Issue Group Board, Big Issue Invest (BII) Board and Big Issue Foundation Board. Her role is to ensure mission alignment and ensure we continue to provide a hand-up to those who need it at the point of need. Parveen has worked in various roles in the Publishing division at The Big issue over the last ten years. Prior to that she spent ten years working at the BBC and GMTV as a Broadcast Journalist.

Roger Hooley

Roger worked in the Commercial Banking Sector for 40 years, initially with HSBC and most recently with Aldermore Bank where he headed up the Commercial Mortgage Relationship Management team. Roger joined the Big Issue Invest Board (BIIT) in 2010 and sits on the joint Credit Committee of BIIT and BII boards.

Mohamed Omer

Mohamed is Financial Director of Intellicomm Solutions and also Board Member-External Affairs. Gardens of Peace Muslim Cemetery Trust, the largest dedicated Muslim Cemetery in the UK.

Mohamed is a Chartered Accountant and has been on the BIIT Board since 2009.

Lucy Findlay

Lucy has played a leading role in the UK social enterprise sector for the last 20 or so years. She is the founding Managing Director of Social Enterprise Mark CIC, the international social enterprise accreditation authority. Lucy is publicly recognised as a key player in the sector at an international level advocating on behalf of the need to maintain credible and ethical business standards.

Rebecca Perlman

Rebecca is a senior corporate and charity law specialist at leading global law firm, Herbert Smith Freehills. She is the founder and Co-Chair of the firm's impact investment and social finance practice – HSF Impact – which supports social entrepreneurs, impact investors and social finance intermediaries across the globe in fields such as education, energy, agribusiness, financial inclusion, climate change, consumer products, housing and healthcare.

BIG ISSUE INVEST TRUST**(A company limited by guarantee)****TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022****Timothy West**

Tim is the founder-editor and CEO of Pioneers Post and mission-focused marketing and social innovation company The Fable Bureau. He is also a director of Big Issue Invest, an advisory board member at Cromwood Housing and was a trustee with ECT Charity until stepping down at the end of 2021. Tim also founded the UK Social Enterprise 100 Index and Awards (SE100) and Women in Social Enterprise Awards (WISE100), and has served as an advisor on a number of national and international programmes in the social enterprise, impact investing, sustainability and mission-led business space. Tim has a degree in music from Oxford University, a diploma in journalism and studied business at Cranfield and Warwick Universities.

John Gilligan

John has worked in the private equity and venture capital industry for over 30 years.

He started his career in 1988 at 3i Group plc and was then a Corporate Finance Partner of Deloitte and latterly BDO for over twenty years. Since 2018 he has been the Director of the Oxford Saïd Finance Lab at Saïd Business School, University of Oxford. He is also a director on the Big Issue Fund Management Board. He is the author of four editions of "Private Equity Demystified" (OUP 2020) and is also a Visiting Professor at Imperial College Business school. He is an Investment Committee member of Big Issue Invest.

Objectives and activities**a. Policies and objectives**

The Objectives of the Charity are to promote charitable purposes by the provision of grants and other assistance. Our grantees are charities and social enterprises with charitable purposes, who find it difficult to borrow money from the main high street lenders. We consider grant requests from charities and social enterprises throughout England but we concentrate our efforts onto organisations which have a high social impact on their communities.

In setting objectives and planning for activities, the trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

In the year ending March 2022, the Charity has made one grant to The Big Issue Company, totalling £357,300 (2021 - £479,000).

b. Grant-making policies

All grant applications are reviewed by the Trustees and assessed on their suitability and compatibility with the charities objectives. The full value of grants committed to by the Trustees is recognised in the Statement of Financial Activities at the point of contract completion.

Achievements and performance**a. Fundraising activities and income generation**

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. During the year £833,279 (2021 - £846,008) of grants and donations were received, of which £21,705 (2021 - £141,858) were from the general public.

The fundraising approach taken by Big Issue Invest Trust is to utilise the existing network of business corporations and high net worth individuals already known to the Big Issue Group. These fundraising activities were carried out exclusively by Big Issue Group employees.

All fundraising activities are in line with the standards mandated by the fundraising regulator.

During the year Big Issue Invest Trust received 0 complaints (2021 – 0) relating to its fundraising activities.

BIG ISSUE INVEST TRUST**(A company limited by guarantee)****TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

Achievements and performance (continued)**Financial review****a. Going concern**

After making appropriate enquiries, the trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

b. Reserves policy

BIIT's Unrestricted Funds include funds which have been loaned to enterprises and are expected to be repaid. BIIT also needs Unrestricted Funds to cover the management and administration costs without which the Charity could not function. Any "surplus" reserves will be invested in financially viable Social Enterprises as soon as possible. The Trustees consider it prudent that Unrestricted Reserves should be sufficient to:

1. Continue to fund the loans that have already been drawn down or irrevocably committed, until such time as they are repaid;
2. Meet any new applications for funding support from regional funds that have been specifically designated for those regions by the Trustees; and
3. To cover one year's management and administration costs, net of expected investment income and discretionary expenditure.

The Trustees review the appropriateness of this policy annually.

At 31 March 2022, the level of Unrestricted Reserves required under this policy would have amounted to £37,126 (2021 - £36,700). The actual level of Unrestricted Reserves as at that date was £172,881 (2021 - £467,629). The trustees expect that reserves not expended on operating costs will be used to provide loans and grants to sustainable social enterprises and charities on an on-going basis. The level of Restricted reserves at the year end was £810,390 (2021 - £76,660).

c. Investment policy

The Trustees have considered the requirements and purpose of the charity and consider it appropriate for the funds to be held as cash and / or short-term instruments with banks approved by the Trustees. Changes to this investment policy would be decided upon by the Board of Trustees.

d. Financial risk management objectives and policies

The major risk, to which the Charity is exposed, is financial risk as identified by the Trustees, this has been reviewed and systems or procedures have been established to manage the risk.

BIG ISSUE INVEST TRUST

(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

e. Financial review

The activity of the Charity during the year ending March 2022 was providing financial support, investments and grants to social enterprises.

Income for the year was £833,408 (2021 - £847,508) and expenditure totalled £394,426 (2021 - £515,700).

We ensure that our resources are closely focused onto looking after our existing clients and finding new organisations that need our support.

Despite the challenges of the current economic environment, the Charity has sufficient cash on hand to meet all financial obligations for at least the next 12 months.

We have taken a prudent approach to raising bad debt provisions when a loan is considered doubtful.

Structure, governance and management

a. Constitution

Big Issue Invest Trust is registered as a charitable company limited by guarantee and was set up by a Trust deed.

The Big Issue Invest Trust is a company limited by guarantee that was incorporated in November 1994. It is governed by the memorandum and articles incorporated in 1994.

b. Trustees and their interests

The management of the Charity is the responsibility of the trustees who are elected and co-opted under the terms of the Trust deed.

The Trustees who also serve as Board Directors for the purpose of company law during the year and up to the date of signing the financial statements were:

Parveen Bird - Chair
Roger Hooley
Mohamed Omer
Lucy Findlay
Rebecca Perlman
Timothy West
John Gilligan

None of the Trustees have any beneficial interest in the company. Big Issue Invest Limited is the sole corporate member of the Charity and has agreed to contribute £1 in the event of the charity being wound up.

None of the Trustees have any beneficial interest in the organisations that receive loan or grant funding from The Big Issue Invest Trust.

c. Organisational structure and decision-making policies

The Big Issue Invest Trust Board of Trustees meets quarterly. Its key functions include:

1. Reviewing and guiding BIIIT's corporate strategy, major plans of action, risk policy, annual budget and business plans; setting performance objectives; monitoring implementation and corporate performance; and overseeing major capital expenditures, acquisitions and divestitures.

BIG ISSUE INVEST TRUST**(A company limited by guarantee)****TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022****Structure, governance and management (continued)**

2. Monitoring and managing potential conflicts of interest of management, Trustees and stakeholders, including misuse of corporate assets and abuse in related party transactions.
3. Ensuring the integrity of BIIT's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, particularly systems for monitoring risk, financial control and compliance with the law.
4. Monitoring the effectiveness of the governance practices under which BIIT operates and making changes as needed and ensuring a formal and transparent Trustee nomination process.
5. Overseeing the process of disclosure and communication.

d. Recruitment, induction & training of Trustees

It is our clear policy that the BIIT Board of Trustees will have a suitable combination of experience and leadership necessary to support the effective provision of loan finance to charities and social enterprises. In particular we need individuals with experience in:

- Banking.
- Financial and risk management.
- Commercial law.
- Marketing.
- Social Enterprises.
- Potential sources of new funds.

In addition, we endeavour to have an appropriate mix of gender, ethnic, and regional representation on the board to strengthen our ability to best understand relevant issues, and to identify and adopt suitable strategic responses. Big Issue Invest has the right to appoint up to four Trustees and another three are people who are independent of Big Issue Invest. Trustees who are employees of Big Issue Invest may continue in post until they end that employment. All other Trustees are appointed for a fixed three year term and may serve no more than three consecutive three year terms.

If we needed to recruit a new trustee to the Board, we would:

- Review what skills / expertise we most needed to recruit;
- Draw up a "Job Description";
- Consider advertising the role using trustee brokerage services;
- Broaden the diversity of the Board so long as that is consistent with obtaining the right skills;
- Undertake appropriate background checks; and
- Ensure there are no legal or technical barriers to the appointment of the preferred individual.

Having selected the best individual, our induction and training process have actually included:

- Providing copies of our governing document (M&AA) and Policies & Procedures Manual;
- Providing our latest Audited and Management Financial Statements;
- Providing our current Plan;
- Providing Minutes of recent Board Meetings;
- Providing relevant Charity Commission publications including "The essential Trustee - what you need to know"; and
- Arranging a familiarisation programme

BIG ISSUE INVEST TRUST

(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Structure, governance and management (continued)

e. Related party relationships

Big Issue Invest Trust has entered into a management services agreement with Big Issue Invest (BII) under which BII carry out the day to day activities of the Charity. In the year to 31 March 2022 the Charity paid BII £24,000 (2021 - £24,000) under this arrangement. The terms of the management services agreement including the annual budget are reviewed each year by three Trustees with no link to BII.

During the year Big Issue Invest Trust disbursed a grant of £Nil (2021: £Nil) to Big Issue Invest Corporate Social Venturing to be used for investment purposes as part of the "Power Up Midlands" programme.

During the year Big Issue Invest Trust disbursed a grant of £Nil (2021: £Nil) to Big Issue Invest to be used for the purpose of issuing micro grants to social enterprises.

During the year Big Issue Invest Trust disbursed a grant of £357,300 (2021: £479,000) to The Big Issue Company.

This grant is to be used for the following purposes:

- ensuring the survival of the Recipient during the period for which it continues to be materially affected by the COVID-19 pandemic; and
- supporting the Recipient's transition to a new trading model that will allow it to continue to relieve poverty in the long term.

The Community Loan Fund Limited is a dormant company of which The Big Issue Trust is the sole Member. It has not traded since incorporation and does not have any assets or liabilities.

f. Financial risk management

The trustees have assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of the Charity, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

Disclosure of information to auditors

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

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

BIG ISSUE INVEST TRUST

(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Disclosure of information to auditors (continued)


Auditors

Blick Rothenberg Audit LLP was appointed as the charitable company's auditor during the year and have expressed its willingness to continue in that capacity. A resolution regarding the reappointment and remuneration will be submitted to a future meeting of Members.

Small companies note

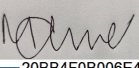
In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.


Approved by order of the members of the board of trustees and signed on their behalf by:

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Parveen Bird

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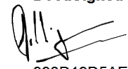
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Date: 13-Mar-23 | 20:54 GMT

BIG ISSUE INVEST TRUST**(A company limited by guarantee)****STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2022**

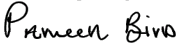
The trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

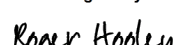
Company law requires the trustees to prepare financial statements for each financial year. Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

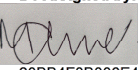
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.


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

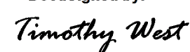
Approved by order of the members of the board of trustees and signed on its behalf by:


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Parveen Bird

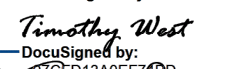
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Rebecca Perlman

Date: 13-Mar-23 | 20:54 GMT

BIG ISSUE INVEST TRUST

(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BIG ISSUE INVEST TRUST

FOR THE YEAR ENDED 31 MARCH 2022

Opinion

We have audited the financial statements of Big Issue Invest Trust (the 'charitable company') for the year ended 31 March 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the related notes, 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 charitable company's affairs as at 31 March 2022 and of its 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

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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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

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

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

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

BIG ISSUE INVEST TRUST**(A company limited by guarantee)****INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BIG ISSUE INVEST TRUST (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 trustees' report

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

- the information given in the trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees 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 trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

BIG ISSUE INVEST TRUST**(A company limited by guarantee)****INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BIG ISSUE INVEST TRUST (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022****Auditor's responsibilities for the audit of the financial statements**

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.

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with directors and other management, and from our commercial knowledge and experience of the charitable sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, Charities Act 2011 and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulation.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested a sample of journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the notes were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims;

BIG ISSUE INVEST TRUST

(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BIG ISSUE INVEST TRUST (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

Blick Rothenberg Audit LLP

Darsh Shah (senior statutory auditor)
for and on behalf of

Blick Rothenberg Audit LLP

Chartered Accountants

Statutory Auditor

16 Great Queen Street

Covent Garden

London

WC2B 5AH

Date: 20 March 2023

BIG ISSUE INVEST TRUST**(A company limited by guarantee)****STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:					
Donations and legacies	4	810,330	22,949	833,279	846,008
Interest income	6	-	129	129	1,500
Total income		810,330	23,078	833,408	847,508
Expenditure on:					
Charitable activities	7	76,600	317,826	394,426	515,700
Total expenditure		76,600	317,826	394,426	515,700
Net movement in funds		733,730	(294,748)	438,982	331,808
Reconciliation of funds:					
Total funds brought forward		76,660	467,629	544,289	212,481
Net movement in funds		733,730	(294,748)	438,982	331,808
Total funds carried forward		810,390	172,881	983,271	544,289

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 17 to 28 form part of these financial statements.

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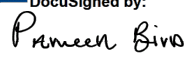
BIG ISSUE INVEST TRUST
(A company limited by guarantee)

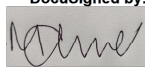
BALANCE SHEET
FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 £	2021 £
Current assets			
Debtors	12	15,372	16
Programme related investments	10	-	10,418
Cash at bank and in hand		988,572	553,482
		<u>1,003,944</u>	<u>563,916</u>
Creditors: amounts falling due within one year	14	(20,673)	(19,627)
Net current assets		<u>983,271</u>	<u>544,289</u>
Total assets less current liabilities		<u>983,271</u>	<u>544,289</u>
Total net assets		<u>983,271</u>	<u>544,289</u>
Charity funds			
Restricted funds	15	810,390	76,660
Unrestricted funds	15	172,881	467,629
Total funds		<u>983,271</u>	<u>544,289</u>

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

The financial statements were approved and authorised for issue by the trustees and signed on their behalf by:

DocuSigned by:

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Parveen Bird

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Mohamed Omer

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Timothy West


DocuSigned by:


 890EDF9B3BD9404...
Rebecca Perlman

Date:  13 March 2023

The notes on pages 17 to 28 form part of these financial statements.

DocuSigned by:

 88023D8FDFB84D7...
Roger Hooley

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Lucy Findlay

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John Gilligan

BIG ISSUE INVEST TRUST**(A company limited by guarantee)****STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022**

	2022 £	2021 £
Cash flows from operating activities		
Net cash generated from operating activities	434,961	332,880
Cash flows from investing activities		
Dividends, interests and rents from investments	129	1,500
Net cash provided by investing activities	129	1,500
Cash flows from financing activities		
Net cash provided by financing activities	-	-
Change in cash and cash equivalents in the year	435,090	334,380
Cash and cash equivalents at the beginning of the year	553,482	219,102
Cash and cash equivalents at the end of the year	988,572	553,482

The notes on pages 17 to 28 form part of these financial statements

BIG ISSUE INVEST TRUST**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

1. General information

The Big Issue Invest Trust is a charitable trust, limited by guarantee, incorporated in England and Wales under the Companies Act 2006 and the Charities Act 2011. The address of the registered office is 113-115 Fonthill Road, London, N4 3HH.

The financial statements are presented in Sterling (£), which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

2. Accounting policies**2.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) 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).

Big Issue Invest Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Going concern

After making enquiries, the trustees' have a reasonable expectation that the charity has adequate resources to continue in operational existence and meet its liabilities as they fall due for the foreseeable future, being a period of at least twelve months from the date these financial statements were approved. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

2.3 Programme Related Investment loans and Provision for Bad and Doubtful debts

Investment loans are recognised in the accounts when funds are drawn by the client and interest on loans made is recognised on a receivable basis.

Specific provisions are made against loans when, as a result of regular appraisals of the assets it is considered that recovery is doubtful. The specific provision is deducted from the Programme Related Investment. Provisions made during the year, less amounts released, are charged to the Statement of Financial Activities. The Trustees also consider each year if it is appropriate to make an additional reserve against those loans that are known to be higher risk but have not yet reached the point where default is considered probable.

2.4 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

BIG ISSUE INVEST TRUST**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. Accounting policies (continued)**2.5 Income**

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Cash donations are recognised upon receipt. Other donations are recognised once the charity has been notified of the donation unless performance conditions require the deferral of the amount.

2.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure on raising funds includes all expenditure incurred by the Charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.7 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.8 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.9 Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

BIG ISSUE INVEST TRUST**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. Accounting policies (continued)**2.10 Financial instruments**

The company has elected to apply Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets and financial liabilities are recognised when the company becomes party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

The company's policies for its major classes of financial assets and financial liabilities are set out below.

Financial assets

Basic financial assets, including trade and other debtors and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

Financial liabilities

Basic financial liabilities, including trade and other creditors, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Impairment of financial assets

Financial assets 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 financial activities.

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

For financial assets measured at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If the financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

BIG ISSUE INVEST TRUST**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022****2. Accounting policies (continued)****Derecognition of financial assets and financial liabilities**

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the balance sheet 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.

3. Accounting estimates and judgements

In preparing the financial statements, the Trustees are required to make estimates and judgements. The matters considered below are considered to be the most important in understanding the judgements that are involved in preparing the financial statements and the uncertainties that could impact the amounts reported in the results of operations, financial position and cash flows. Accounting policies are shown at note 2 to the financial statements.

Loan provision policy

The loan portfolio is assessed annually to determine an appropriate level of bad debt provision using the below guideline for the different fund sources of loans.

Grant funding

Existing provisions are reversed to the extent that grant funding is available to absorb potential losses.

Non-grant funded loans

For any loans where BIIT is liable for any bad debts a specific provision is made on a case-by-case basis for each loan if the loan manager has any information to suggest that the client may default on some or all of the outstanding balance.

4. Income from donations and legacies

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations	810,330	22,949	833,279	846,008

BIG ISSUE INVEST TRUST**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022****5. Analysis of donations**

	2022 £	2021 £
Bank of America	760,630	-
Aberdeen Standard Life	49,700	-
John Gilligan	1,245	-
Jumblebee Auction	13,527	-
Advent International	-	454,439
Permira	-	101,600
Square Enix	-	100,000
Natasha Muller	-	85,000
Veritas	-	26,260
Johanna Barr	-	25,000
BII Board Members Challenge	-	12,484
Nick Rose	-	10,000
The Harrison Foundation	-	10,000
Nicholas Loufrani	-	9,000
All other donations in the year	8,177	12,225
	833,279	846,008

6. Interest income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Loan Interest	129	129	1,500

BIG ISSUE INVEST TRUST**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022****7. Analysis of expenditure on charitable activities**

Summary by fund type

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total 2022 £	Total 2021 £
Governance costs	-	37,126	37,126	36,700
Grants made	76,600	280,700	357,300	479,000
Total 2021	-	515,700	515,700	

8. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Governance costs	-	37,126	37,126	36,700
Grants made	357,300	-	357,300	479,000
	357,300	37,126	394,426	515,700

9. Analysis of Governance costs

	2022 £	2021 £
Trustee expenses	-	58
Loan administration fees	24,000	24,000
Bank charges	455	707
Audit fees	11,671	10,582
Professional fees	1,000	1,353
	37,126	36,700

BIG ISSUE INVEST TRUST**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022****10. Analysis of grants made**

The Trust made the following material grants during the year:

	2022 £	2021 £
The Big Issue Company	357,300	479,000
	357,300	479,000

Further details of these grants are set out in the Trustees Report.

11. Trustees' remuneration and expenses

During the year, no trustees received any remuneration or other benefits (2021 - £Nil).

During the year ended 31 March 2022, no trustee expenses have been incurred (2021 - £58).

Reimbursed expenses do not form part of remuneration, and are subject to the normal processes of internal financial control.

Employee costs during the year were £NIL (2021 - £Nil).

12. Debtors

	2022 £	2021 £
Due within one year		
Trade debtors	1,845	-
Loan interest receivable	-	16
Prepayments and accrued income	13,527	-
	15,372	16

BIG ISSUE INVEST TRUST**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022****13. Programme related investments**

	2022 £	2021 £
Cost - At 1 April	17,041	44,099
Additions	-	-
Repayments	(10,418)	(27,058)
At 31 March	6,623	17,041
Provisions - At 1st April	(6,623)	(6,623)
Charge for the year	-	-
Disposals	-	-
At 31 March	(6,623)	(6,623)
Net book amount at 31 March	-	10,418

Programme related investments are repayable in the following manner:

	2022 £	2021 £
Within one year	-	10,418
	-	10,418

Programme related investments repayable within one year are included within current assets in 2021.

14. Creditors: Amounts falling due within one year

	2022 £	2021 £
Amounts owed to other participating interests	-	8,782
Accruals and deferred income	20,673	10,845
	20,673	19,627

BIG ISSUE INVEST TRUST**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022****15. Statement of funds****Statement of funds - current year**

	Balance at 1 April 2021 £	Income £	Expenditure £	Balance at 31 March 2022 £
Unrestricted funds				
General funds - all funds	467,629	23,078	(317,826)	172,881
	Balance at 1 April 2021 £	Income £	Expenditure £	Balance at 31 March 2022 £
Restricted funds				
Restricted funds - all funds	76,660	810,330	(76,600)	810,390
	Balance at 1 April 2021 £	Income £	Expenditure £	Balance at 31 March 2022 £
Total of funds	544,289	833,408	(394,426)	983,271

Statement of funds - prior year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2021 £
Unrestricted funds					
General funds - all funds	210,806	770,848	(515,700)	1,675	467,629
	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2021 £
Restricted funds - all funds	1,675	76,660	-	(1,675)	76,660
Total of funds	212,481	847,508	(515,700)	-	544,289

BIG ISSUE INVEST TRUST**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022****16. Analysis of net assets between funds****Analysis of net assets between funds - current year**

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
Current assets	810,390	193,554	1,003,944
Creditors due within one year	-	(20,673)	(20,673)
Total	<u>810,390</u>	<u>172,881</u>	<u>983,271</u>

Analysis of net assets between funds - prior year

	Endowment funds 2021 £	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Current assets	19,627	76,660	467,629	563,916
Creditors due within one year	(19,627)	-	-	(19,627)
Total	<u>-</u>	<u>76,660</u>	<u>467,629</u>	<u>544,289</u>

BIG ISSUE INVEST TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

17. Restricted funds

	Balance at 1 April 2021	Income	Expenditure	Balance at 31 March 2022
	£	£	£	£
Permira	76,660	-	(76,660)	-
Bank of America	-	760,630	-	760,630
Aberdeen Standard Life	-	49,700	-	49,700
	<u>76,660</u>	<u>810,330</u>	<u>(76,660)</u>	<u>810,330</u>
Total 2021	<u>1,675</u>	<u>76,660</u>	<u>(1,675)</u>	<u>76,660</u>

The Permira restricted fund is to support BIIT's response to the Covid-19 pandemic and to cover core costs associated with delivering support and services to The Big Issue magazine's 2,000 vulnerable vendors.

The Aberdeen Standard Life fund will cover staff members, events and activities set up by Corporate Social Venturing Ltd. The programme matches mentors with social enterprises as they look to recover and help ensure future sustainability, post Covid-19.

The Bank of America fund is a contribution to the soon to be established Growth Impact Fund to fund its investments and for use in the Fund's Technical Assistance Facility.

18. Reconciliation of net movement in funds to net cash flow from operating activities

	2022 £	2021 £
Net income for the year (as per Statement of Financial Activities)	438,982	331,808
Adjustments for:		
Dividends, interests and rents from investments	(129)	(1,500)
Decrease/(increase) in debtors	(15,356)	14,783
Increase/(decrease) in creditors	1,046	(24,546)
Decrease in programme related investments	10,418	12,335
Net cash provided by operating activities	<u>434,961</u>	<u>332,880</u>

BIG ISSUE INVEST TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

19. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand	988,572	553,482
Total cash and cash equivalents	988,572	553,482

20. Analysis of changes in net debt

	At 1 April 2021 £	Cash flows £	At 31 March 2022 £
Cash at bank and in hand	553,482	435,090	988,572
	553,482	435,090	988,572

21. Liability of members

The liability of members is limited. In the event of the Charitable Company being wound up during a member's period of membership or within a year afterwards an amount not exceeding £1 may be required from that member towards the payment of debts and liabilities of the company incurred before membership ceased. As at 31 March 2022 the Charitable Company had 1 member (2021 - 1), BII.

22. Related party transactions

During the year the Charitable Company paid management fees of £24,000 (2021 - £24,000) to its corporate member company, BII.

The following entities sit within the Big Issue Group, of which The Big Issue Invest Trust is a member:

The Big Issue Invest Trust received royalty income of £1,245 (2021 - £Nil) from J Gilligan during the year.

The Big Issue Invest Trust paid a grant of £357,300 (2021 - £479,000) to The Big Issue Company during the year. At the year end £Nil (2021 - £Nil) was outstanding.