

BIG ISSUE INVEST TRUST

(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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 2023**

Trustees	P Bird R Hooley M Omer L Findlay, Chair R Gilligan L Kawa (appointed 14 June 2023) L Goransson (appointed 1 November 2023) T West (resigned 14 June 2023) R Perlman (resigned 22 May 2023)
Company registered number	02995859
Charity registered number	1042514
Registered office	113-115 Fonthill Road London N4 3HH
Independent auditors	Blick Rothenberg Audit LLP Chartered Accountants Statutory Auditor 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 2023**

The Trustees present their annual report together with the audited financial statements of the Big Issue Invest Trust for the year 1 April 2022 to 31 March 2023. 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).

Since the charity qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

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 concentrate efforts on 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 2023, the charity made no grants to The Big Issue Company Limited (2022 - £357,300).

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)'.

b. Grant making policies

All grant applications are reviewed by the trustees and assessed on their suitability and compatibility with the charity's 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 £338,872 (2022 - £833,279) of grants and donations were received, none of which were from the general public (2022 - £21,705).

The fundraising approach taken by the 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 the Big Issue Invest Trust received no complaints (2022 – nil) relating to its fundraising activities.

BIG ISSUE INVEST TRUST**(A company limited by guarantee)****TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

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

The Trustees consider it prudent that Unrestricted Reserves should be sufficient 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 2023, the level of Unrestricted Reserves required under this policy would have amounted to £36,000 (2022 - £37,126). The actual level of Unrestricted Reserves as at that date was £319,987 (2022 - £172,881). 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 £397,438 (2022 - £810,390).

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 charity is mostly exposed to financial risk as identified by the Trustees and which is managed by appropriate systems and procedures

e. Financial review

The activity of the charity during the year ending March 2023 was providing financial support, investments and grants to social enterprises.

Income for the year was £338,872 (2022 - £833,408) and expenditure totalled £604,718 (2022 - £394,426).

We ensure that our resources are closely focused on 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.

BIG ISSUE INVEST TRUST

(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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 (resigned as Chair on 23 November 2023)

Roger Hooley

Mohamed Omer

Lucy Findlay (appointed as Chair 23 November 2023)

John Gilligan

Lizan Kawa (appointed 14 June 2023)

Lisa Goransson (appointed 1 Nov 2023)

Timothy West (resigned 14 June 2023)

Rebecca Perlman (resigned 22 May 2023)

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 Big Issue Invest Trust'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.
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 Big Issue Invest Trust'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.

BIG ISSUE INVEST TRUST**(A company limited by guarantee)****TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023****Structure, governance and management (continued)****d. Recruitment, induction and training of Trustees**

It is our clear policy that the Big Issue Invest Trust 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 Trust has the right to appoint up to four Trustees and another three are people who are independent of Big Issue Invest Trust. Trustees who are employees of Big Issue Invest Trust 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 involves:

- 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

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 2023 the charity paid BII £24,000 (2022 - £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 no grants (2022 - £357,300) to The Big Issue Company Limited.

During the year Big Issue Invest Trust disbursed a grant of £49,700 (2022 - £Nil) to Big Issue Corporate Social Venturing Ltd to be used for the purpose of issuing micro grants to social enterprises.

BIG ISSUE INVEST TRUST**(A company limited by guarantee)****TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023****Structure, governance and management (continued)**

During the year Big Issue Invest Trust made capital contributions (as limited partner) of £17,683 (2022 - £Nil) and grants totalling £160,754 (2022 - £Nil) into the Growth Impact, L.P.

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 auditors are 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 auditors are aware of that information.

Auditors

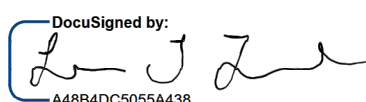
The auditors, Blick Rothenberg Audit LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

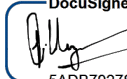
Approved by order of the members of the board of Trustees and signed on their behalf by:

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R Hooley 
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R Gilligan 
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BIG ISSUE INVEST TRUST**(A company limited by guarantee)****STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2023**

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 judgements 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:

P Bird

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R Hooley

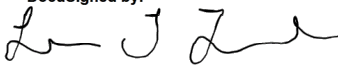
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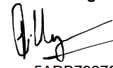
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L Findlay

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R Gilligan

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L Kawa

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BIG ISSUE INVEST TRUST**(A company limited by guarantee)****INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BIG ISSUE INVEST TRUST****FOR THE YEAR ENDED 31 MARCH 2023**

Opinion

We have audited the financial statements of Big Issue Invest Trust (the 'charity') for the year ended 31 March 2023 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 2023 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 Auditors' 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 AUDITORS' REPORT TO THE MEMBERS OF BIG ISSUE INVEST TRUST (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023****Other information**

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable 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:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a Strategic report.

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 AUDITORS' REPORT TO THE MEMBERS OF BIG ISSUE INVEST TRUST (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023****Auditors' 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 Auditors' 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 company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, environmental, 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 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 regulations.

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 note 3 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 AUDITORS' REPORT TO THE MEMBERS OF BIG ISSUE INVEST TRUST (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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 Auditors' report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' 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: 18 December 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 2023**

	Note	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:					
Donations	4	159,114	179,758	338,872	833,279
Investments	6	-	-	-	129
Total income		159,114	179,758	338,872	833,408
Expenditure on:					
Charitable activities	7	572,066	32,652	604,718	394,426
Total expenditure		572,066	32,652	604,718	394,426
Net movement in funds		(412,952)	147,106	(265,846)	438,982
Reconciliation of funds:					
Total funds brought forward	15	810,390	172,881	983,271	544,289
Net movement in funds		(412,952)	147,106	(265,846)	438,982
Total funds carried forward	15	397,438	319,987	717,425	983,271

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

The notes on pages 15 to 25 form part of these financial statements.

BIG ISSUE INVEST TRUST
(A company limited by guarantee)

BALANCE SHEET
FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £	2022 £
Fixed assets			
Social investments	13	17,682	-
		<u>17,682</u>	<u>-</u>
Current assets			
Debtors	12	-	15,372
Cash at bank and in hand		726,143	988,572
		<u>726,143</u>	<u>1,003,944</u>
Creditors: amounts falling due within one year	14	(26,400)	(20,673)
Net current assets		<u>699,743</u>	<u>983,271</u>
Total assets less current liabilities		<u>717,425</u>	<u>983,271</u>
Total net assets		<u><u>717,425</u></u>	<u><u>983,271</u></u>
Charity funds			
Restricted funds	15	397,438	810,390
Unrestricted funds	15	319,987	172,881
Total funds		<u><u>717,425</u></u>	<u><u>983,271</u></u>

BIG ISSUE INVEST TRUST
(A company limited by guarantee)
BALANCE SHEET (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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:

P Bird
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P Bird
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R Hooley
DocuSigned by:
Roger Hooley
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M Omer
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M Omer
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L Findlay
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L J Findlay
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R Gilligan
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R Gilligan
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L Kawa
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L Goransson
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The notes on pages 15 to 25 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 2023**

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.

BIG ISSUE INVEST TRUST**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)**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.

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.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

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.

BIG ISSUE INVEST TRUST**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)**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.

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, 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 are initially recognised at transaction price, 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.

BIG ISSUE INVEST TRUST**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

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

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 the Statement of financial activities.

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.

2.11 Mixed motive investments

Mixed motive investments are measured at cost less accumulated impairment.

3. Accounting estimates and judgements

In preparing these 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 the potential losses.

Non-grant funded loans

For any loans where Big Issue Invest Trust 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.

BIG ISSUE INVEST TRUST**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023****4. Income from donations and legacies**

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Donations	159,114	179,758	338,872	833,279
Total 2022	810,330	22,949	833,279	

5. Analysis of donations

	2023 £	2022 £
Charities Trust	165,000	-
Accenture Foundation	159,114	-
CAF	10,025	-
UBS	4,000	-
Robert Gilligan	733	1,245
Bank of America	-	760,630
Aberdeen Standard Life	-	49,700
Jumblebee Auction	-	13,527
Paypal Giving Fund UK	-	8,177
	338,872	833,279

6. Interest income

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Loan interest	-	-	129
Total 2022	129	129	

BIG ISSUE INVEST TRUST**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023****7. Analysis of expenditure on charitable activities****Summary by fund type**

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total 2023 £	Total 2022 £
Governance costs	12,600	32,652	45,252	37,126
Grants made	559,466	-	559,466	357,300
	<u>572,066</u>	<u>32,652</u>	<u>604,718</u>	<u>394,426</u>
Total 2022	<u>76,600</u>	<u>317,826</u>	<u>394,426</u>	

8. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £	Total funds 2022 £
Governance costs	-	45,252	45,252	37,126
Grants made	559,466	-	559,466	357,300
	<u>559,466</u>	<u>45,252</u>	<u>604,718</u>	<u>394,426</u>
Total 2022	<u>357,300</u>	<u>37,126</u>	<u>394,426</u>	

9. Analysis of governance costs

	2023 £	2022 £
Loan administration fees	24,000	24,000
Audit fees	7,272	11,671
Professional fees	13,662	1,000
Bank charges	318	455
	<u>45,252</u>	<u>37,126</u>

BIG ISSUE INVEST TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

10. Analysis of grants made

	2023 £	2022 £
UnLtd	253,543	-
Breaking Barriers	95,468	-
Big Issue Invest Corporate Social Venturing Ltd	49,700	-
Growth Impact L. P.	160,754	-
The Big Issue Company	-	357,300
	559,465	357,300

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 (2022 - £NIL).

During the year ended 31 March 2023, no Trustee expenses have been incurred (2022 - £NIL).

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 (2022 - £Nil).

12. Debtors

	2023 £	2022 £
Due within one year		
Trade debtors	-	1,845
Prepayments and accrued income	-	13,527
	-	15,372

BIG ISSUE INVEST TRUST**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023****13. Mixed motive investments**

	Mixed motive investments £	Total £
Cost		
Additions	17,682	17,682
	<u>17,682</u>	<u>17,682</u>
Impairment provision		
	<u>-</u>	<u>-</u>
Net book value		
At 31 March 2023	17,682	17,682
At 31 March 2022	<u>-</u>	<u>-</u>

The Trust is a limited partner in Growth Impact, L. P., a private fund limited partnership formed under the laws of England and Wales. The fund meets the definition of a social investment as its held to support the charitable aims of the Trust. It is carried at cost of £17,682.

14. Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	12,600	-
Accruals and deferred income	13,800	20,673
	<u>26,400</u>	<u>20,673</u>

BIG ISSUE INVEST TRUST**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023****15. Statement of funds****Statement of funds - current year**

	Balance at 1 April 2022 £	Income £	Expenditure £	Balance at 31 March 2023 £
Unrestricted funds				
General Funds - all funds	172,881	179,758	(32,652)	319,987
Restricted funds				
Restricted Funds - all funds	810,390	159,114	(572,066)	397,438
Total of funds	983,271	338,872	(604,718)	717,425

Statement of funds - prior 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
Restricted funds				
Restricted Funds - all funds	76,660	810,330	(76,600)	810,390
Total of funds	544,289	833,408	(394,426)	983,271

BIG ISSUE INVEST TRUST**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023****16. Analysis of net assets between funds****Analysis of net assets between funds - current year**

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £
Social investments	-	17,682	17,682
Current assets	397,438	328,705	726,143
Creditors due within one year	-	(26,400)	(26,400)
Total	397,438	319,987	717,425

Analysis of net assets between funds - prior 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	810,390	172,881	983,271

BIG ISSUE INVEST TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

17. Restricted funds

	Balance at 1 April 2022	Income	Expenditure	Balance at 31 March 2023
	£	£	£	£
Bank of America	760,690	-	(414,298)	346,392
Aberdeen Standard Life	49,700	-	(49,700)	-
Accenture	-	159,114	(108,068)	51,046
	<u>810,390</u>	<u>159,114</u>	<u>(572,066)</u>	<u>397,438</u>

The Bank of America fund is a contribution to the Growth Impact, L. P. Fund to fund it's investments and for use in the Fund's Technical Assistance Facility.

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 grant from Accenture is to support the Refugee Transition Outcomes Fund through Big Issue Invest Trust.

18. 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 2023 the charitable company had 1 member (2022 - 1), The Big Issue Invest Limited.

19. Related party transactions

During the year the charitable company paid management fees of £24,000 (2022 - £24,000) to its corporate member company, The Big Issue Invest Limited.

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

During the year Big Issue Invest Trust disbursed a grant of £49,700 (2022 - £Nil) to Big Issue Corporate Social Venturing Ltd to be used for the purpose of issuing micro grants to social enterprises.

During the year Big Issue Invest Trust made capital contributions (as limited partner) of £17,683 (2022 - £Nil) and grants totalling £160,754 (2022 - £Nil) into the Growth Impact, L. P.

Big Issue Invest Trust paid a grant of £253,543 (2022 - £Nil) to UnLtd, its partner in the Growth Impact, L. P., during the year.

During the year Big Issue Invest Trust disbursed no grants (2022 - £357,300) to The Big Issue Company Limited.

Big Issue Invest Trust received royalty income of £733 (2022 - £1,245) from J Gilligan during the year.