



Social Investment Business Foundation

Annual Report and Consolidated Financial Statements

Year Ended 31 March 2025
Charity number 1117185
Company Number 05777484

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**SOCIAL INVESTMENT BUSINESS FOUNDATION
TRUSTEES, OFFICERS AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2025**

Trustees

Sonali Siriwardena (Chair)
Christopher Barnard
Debjani Ghosh
Edward Wallis
Gavin Keyte
Jagjit Dosanjh-Elton
Louisa Mitchell
Magdalene Bayim-Adomako
Robert Hewitt

Company Secretary and registered office

Nishit Chikhliia

Canopi, Arc House, 82 Tanner Street, London, SE1 3GN

Charity number

1117185

Company number

05777484

Auditor

RSM UK Audit LLP, 25 Farringdon Street, London, EC4A 4AB

Bankers

Barclays Bank, 1 Churchill Place, Leicester, LE87 2BB
Unity Trust Bank, Four Brindley Place, Birmingham, B1 2HB
CCLA Investment Management, Senator House, 85 Queen Victoria St, London, EC4V 4ET
Charity Bank, Fosse House 182 High Street, Tonbridge, TN9 1BE

Lawyers

Weil, Gotshal & Manges (London) LLP, 110 Fetter Lane, London, EC4A 1AY
A&O Shearman, One Bishops Square, London, E1 6AD

**SOCIAL INVESTMENT BUSINESS FOUNDATION
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025**

The Board of Trustees of Social Investment Business Foundation (SIBF) present their report together with the audited financial statements for the Group for the year ended 31 March 2025, in accordance with the Company's governing documents. These statements have been prepared under the *Guidelines in the Accounting and Reporting by Charities: Statement of Recommended Practice, 2019 (Charities SORP) 2nd Edition*, and with the Companies Act 2006. The Trustees are also Directors of SIBF for the purposes of company law.

1 Objectives and Activities

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

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

SIBF is committed to using finance to create a more equal society. We do this through supporting the social economy, making it more resilient, more diverse and more fairly distributed. We do this through the direct provision of grants, loans and support, and also by using our partnerships, data and position to influence policymakers and our peers.

All our activities are underpinned by our commitment to operational excellence in all we do. Our five core values inform how we work:

- **Put People First** – through supporting our colleagues and our customers alike
- **Curious** – through continuous learning and being open to improvement
- **Bold** – through taking risks and trying new things to reach more places and people
- **Collaborative** – through working successfully in partnership, internally and externally
- **Accountable** – through open reporting and taking responsibility for our actions

In terms of **group structure**, SIBF continues to manage the Communitybuilders Fund which invested in community-based social enterprises. SIBF is the parent company of The Social Investment Business Limited (TSIB Limited), which holds and delivers fund management contracts on behalf of third parties, including Government departments, and Futurebuilders England Limited (FBE), which holds the assets of the Futurebuilders and Modernisation Funds.

SIBF is also the parent company and sole shareholder of Social Investment Business FM Ltd (SIB FM), a company limited by shares established with the sole purpose of making investments to charities and social enterprises during Covid – through the Resilience & Recovery Loan Fund.

SIBF has invested £3.5m in Social Investment Business Loans Ltd (SIB Loans), a wholly owned subsidiary established to manage the Recovery Loan Fund (RLF); SIB Loans is also a company limited by shares, with SIB Foundation as its sole shareholder.

SIBF also invested £3m in Thrive Together (SIB) Ltd (TT), a wholly owned subsidiary established to manage the £3.6m of grant monies from Access and £3.6m of co-investment of SIB Foundation capital as equity in the fund. It offers investments of up to £150k consisting of 75% loan and 25% grant. TT is also a company limited by shares, with SIB Foundation as its sole shareholder.

Finally SIBF has invested £500k in Energy Resilience (SIB) Ltd, another wholly owned subsidiary working in partnership with Big Issue Invest, Charity Bank, Co-operative and Community Finance, Groundwork UK, Key Fund, Resonance, The Architectural Heritage Fund and The Ubele to launch the Energy Resilience Fund worth c.

£15m funded by Better Society Capital and Access to provide a blended funding package of loan and grant to bolster the energy resilience of eligible charities and social enterprises in England.

Collectively this group of companies is referred to as Social Investment Business (SIB).

SIBF continues to be a shareholder and investor in Social and Sustainable Capital LLP (0C378569) (SASC) and its funds; during the year, the SIB investment in the Community Investment Fund (CIF) was largely recovered, and SIBF's remaining share in the LLP is 7.92%.

Strategic Report

2 The Group's specific strategic priorities were renewed in March 2025 as follows:

The Board approved the new five-year strategy in March 2025 which builds on our success to scale our contribution to the sector.

Our Vision: At SIB, we envisage an equal society that operates fairly, in which people can participate freely and fully.

Our Mission: Our role in bringing this vision about is to build a more resilient, diverse and distributed social economy that contributes to a more equal society. We do this by providing finance and support to charities, social enterprises and community businesses.

Over the next five years SIB will:

- **Lead:** SIB has established itself as the go-to national fund manager for the social economy. We want to lead and demonstrate our effectiveness at scale.
- **Grow:** SIB has a healthy balance sheet, a high functioning team and an effective operating culture. We want more, well-designed money and support going to the sector.

By 2030, we want to have reached a total of £1bn disbursed to the social economy since our inception.

Strategic priorities

We will pursue three critical domain areas to maximise our impact:

1. **Green transition** - supporting the social economy to respond to the challenges of the green transition and pursue opportunities to contribute. Charities and social enterprises need help to adapt to the impacts of the climate crisis and to meet the opportunities inherent in the transition to a greener, fairer economy.
2. **Infrastructure** - supporting the social economy to maintain and grow sustainable community assets. We want to help build strong communities by improving community assets, including housing and accommodation. We know that assets can provide the foundations for charities and social enterprises to be more resilient and grow their income and impact.
3. **Services** - Supporting the social economy to take a lead in delivering effective services that address societal challenges, particularly in local areas. We want to help improve the capability of charities and social enterprises to deliver, improve and transform public services. We know that the public sector is a significant source of income for the social economy; and that status quo for public services is not an option.

This work is underpinned by an organisational structure that can flex, adapt and scale to existing and future opportunities; and further underpinned by an ongoing commitment to operational excellence:

- **Customer** accessibility, efficiency and responsiveness to needs
- **Quality** assured operational procedures and processes for capable and reliable delivery

**SOCIAL INVESTMENT BUSINESS FOUNDATION
REPORT OF THE BOARD OF TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025**

- **Technology** that is sector-leading and evolves and adapts to the changing landscape
- **Financial** resources being used effectively and efficiently for maximum impact
- **People** are supported, trained, talented, diverse and motivated, living our values

The most significant achievement in this financial year remains the ongoing successful delivery of the Youth Investment Fund (YIF) for the Department of Culture, Media and Sport (DCMS). YIF is a £260m fund to build, extend and renovate youth facilities and services through capital and revenue funding until March 2025. SIB leads a delivery partnership which also includes Key Fund, the National Youth Agency & Resonance.

YIF will provide over 250 new, expanded and renovated youth facilities, including small community youth spaces, dedicated youth centres, and activity centres in some of the less advantaged areas of England. Revenue funding is also available to support organisations as they deliver the capital project, and to support the expansion of positive activities for young people.

The objectives of the YIF are to:

- Increase the number of regular positive activities undertaken by young people by 45,000
- Provide up to 300 new and redeveloped facilities
- Improve the environmental sustainability of the youth sector estate
- Reduce the environmental impact of construction activities across the programme
- Reduce build and ongoing running costs

YIF opened to applications at the start of August 2022, and the first grants were approved at the end of October 2022. Achievements to date include:

- Assessment of more than 1000 applications, totalling well over £1bn.
- Commitment of £259m of capital funding, bringing 257 new and renovated sites to children and young people
- Supporting an estimated additional 50k+ positive activities for young people.
- Commencement and completion of 152 projects on site, with another 99 live on site.
- Capital disbursement of circa £200m by March 2025.
- Establishing a Central Support Offer to support the organisational resilience and development of grantees, and to further support high quality youth service delivery.
- DCMS have confirmed the allocation of budget for YIF in 2025/26, which will enable the completion of construction projects that were projected to overrun into next financial year, alongside some additional flexibility on revenue grant spending and continued non-financial support to grantees.

Outside of the Youth Investment Fund SIB advanced circa £11.5m to 269 organisations with notable achievements including:

- **Recovery Loan Fund:** The Recovery Loan Fund (RLF) is for charities and social enterprises based in England, Wales and Scotland who are working to improve people's lives, or the environment they live in. It does this by offering loans of between £100k and £1.5m. The fund is supported by the Government's Recovery Loan Guarantee Scheme. RLF was launched in April 2021 and by the end of March 2025, 67 loans with a value of £13.8m had been advanced. During the year the fund was renamed and rebranded as Community Builders Fund on 19th March 2025.
- **Flexible Finance:** This included working with our partners The Ubele Initiative and Create Equity, to provide Flexible Finance grants (alongside RLF loans) to Black and Minoritised Ethnicity-led organisations. As at March 25 grant funding of £1.9m had been approved alongside RLF loans to 19 black and minoritised ethnicity-led organisations. At a high level, this programme has been extremely successful:
 - Increased proportion of black and minoritised ethnicity led organisations funded by RLF to 29% vs just 4% for RRLF
 - None of them have previously received repayable investment >£25k
 - Reached the targeted mid-sized organisations with average turnover of c. £600k with material levels of investment provided, averaging at c.£200k (ranges from £30k to £460k)

Following a successful bid for additional grant money, we will be continuing the programme until the end of March 2026:

- **Reach Fund:** The Reach Fund is a grant programme that has been running since 2016 and helps charities and social enterprises raise investment. The Reach Fund has worked with a wide range of investors (>30) who recommend organisations to the fund for investment readiness work that will enable them to access social investment for a wide range of purposes. A total of £2.1m grants were awarded to 173 organisations during the financial year. Applications are increasing due to a number of social investors now referring to the Reach Fund and the number of new funds launched in 2024. There continues to be a strong focus on supporting diverse-led organisations and those in IMD 1-3 or rural areas, which remain the priorities for Reach Fund. The vast majority of social investment sought remains unsecured loans with the next most popular secured loans, however community shares continue to grow in popularity and represented 11% of investments sought compared to 6% the previous year. Access intends for the Reach Fund to continue post March 2026.
- **Portfolio management:** SIB continues to manage a number of legacy loan portfolios, supporting these customers over the long term. Notably, this includes Communitybuilders, Futurebuilders and the Resilience and Recovery Loan Fund. At the financial year end there were a total of 208 loans with a total of £32.2m under management (including funds that are still open to new applications).
- **Cost of Living Fund:** - We deployed £4.4m of funding to 39 organisations meeting the needs of those most impacted by the cost-of-living crisis, with >90% operating in IMD 1-3. This included £500k of grants to 22 organisations who had completed their time on the Enterprise Development programme and c.£1m of grants alongside to a further 17 organisations alongside £2.9m of loans from RLF.
- **Thrive Together Fund:** Launched in July 2023 to provide blended loan/grant investments of up to £150k, in partnership with Architectural Heritage Fund, Groundwork UK, Fredericks Foundation, Homeless Link and Co-operative and Community Finance. By the end of March 2025, we had advanced 63 investments of blended grants and loans with a value of £5.0m which is significantly ahead of deployment expectations.
- **Energy Resilience Fund:** Launched in November 2024 to provide blended loan/grant investments of up to £250k for energy resilience purposes, in partnership with Big Issue Invest, Charity Bank, Co-operative and Community Finance, GMCVO, Groundwork UK, Key Fund, Resonance, The Architectural Heritage Fund and The Ubele Initiative. 9 blended loan/grant investments (totalling £754k) have been approved with 2 disbursed by the end of March 2025. UK VCSE Energy Efficiency Scheme: SIB were delivery partners on Groundwork UK's £25m DCMS funded VCSE Energy Efficiency scheme, undertaking over 100 assessments for the programme and representing SIB on the decision-making panels. The Team gained a huge amount of knowledge and expertise on the energy efficiency needs of VCSE organisations, and this knowledge supported the setup of the Energy Resilience Fund.
- **Sector Partnerships:** Social Investment Business co-ordinates, hosts and is a member of several sector partnerships:
 - **Social Investment Forum (SIF)** – Secretariat for the national forum for social investment finance intermediaries.
 - **Diversity Forum** - Current host and co-ordinator of a collective on a mission to drive inclusive social investment in the UK, ensuring social investors are more representative of, and more accountable to, the communities they seek to serve.

3 Future Developments

In addition to the organisation's existing social investment and grant making track record, the Youth Investment Fund continues to create significant opportunities for SIB to build its profile, its capacity and infrastructure, and its ability to make a bigger difference through its work. It is therefore a central part of the future development to ensure that YIF is a springboard for the 2025-2030 strategy.

One part of catalysing that work is through the £10m Strategic Designated Reserve, which the board approved in early 2022 to be investment for impact in line with the current 2022-2025 strategy. To date, over £5m has been committed to support partners, to build internal capability, and to establish new investment funds:

- Create Equity £333k
- SIB Data & Evaluation £554k
- Enterprising Growth for Communities (Thrive) £3m
- Energy Resilience Fund £500k
- District Heat Networks – Feasibility Work £600k

Each of these has where possible been matched by other external funders and investors, providing leverage and match funding of almost £20m to date. Notable amongst these is the blended Energy Resilience Fund, with £15m of funding secured in the year.

As part of the new strategy 2025-30 the Board have committed to invest a further £5m to the Strategic Designated Reserve so effectively £10m over the next five years.

4 Main Strategic Risks

SIB maintains a risk register which identifies the key strategic risks facing the organisation. This register is a working document and is discussed and reviewed at the Executive Group meetings and by both the Audit and Finance Committee and Board. The risk register is updated to reflect recent operational and financial developments, strategic objectives and changes in the external environment. Each risk together with actions that can be or are being taken in mitigation is analysed according to its perceived potential impact, likelihood of occurrence together with actions taken in mitigation.

The risk register contains six of the following main areas of concern, with associated mitigations as follows:

- **Resource Efficiency** - using our charitable resources efficiently in an effective way to control pricing, minimise costs, increase value for money and maintain a healthy Balance Sheet position.
- **People** – maintaining a highly motivated and skilled team, collaborating across an organisation which is operating on a remote basis; this is supported by an updated people strategy, to embed a permanent flexible working model that helps achieve operational excellence
- **IT & business systems infrastructure** – having robust and well-protected operational systems infrastructure as a solid base for the organisation's activities; this is mitigated by having a clear strategic systems plan including a strong focus on cybersecurity, migration to full cloud-based integrated solutions with multi-factor authentication and roll-out of cybersecurity, fraud and anti-money laundering training to all staff.
- **Impact** - having a clear approach to impact and embedding it in our activity - mitigated by framework, senior oversight, internal work with teams and Committees to understand impact within the decision-making process, using common formatted decision matrix, questioning the metrics for all applications as well as adopting a renewed culture of continuous professional development.
- **Reputation** - ensuring our reputation is not affected by either delivery failures or by a negative external publicity; this is mitigated by a range of due diligence assessment protocols, strong project management, media monitoring, and stakeholder management.
- **Customer** - ensuring we properly engage with our customer base and incorporate customer insight into service planning, design and delivery; this is mitigated by response rates, feedback loops (e.g. on application forms), and regular visits from team and Board. Additionally, the board and senior team are continuing to monitor the external environment closely for any specific risks either directly for SIB or the organisations it supports – this currently includes the ongoing cost-of-living crisis, change of government, AI, and the accelerating effects of climate change.

Trustees are satisfied that there are procedures in place commensurate with these key risks to prevent or manage their effects. These procedures include the active monitoring and updating of control

**SOCIAL INVESTMENT BUSINESS FOUNDATION
REPORT OF THE BOARD OF TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025**

systems and procedures to ensure we are managing and taking appropriate action. Where appropriate, financial provision will be made on the balance sheet, reserves set aside, or financial plans updated.

5 Going Concern

Whilst the Trustees have reviewed the forecasts for each company in the group, covering a period of 12 months from the date of signing these financial statements, the Group's (parent company SIBF) overall financial position would support any losses of the parent Charity (SIBF) which would then support any losses in its subsidiaries.

Where SIB's own funds are directly invested, SIB has continued to retain a cautious provisioning position to ensure any future risk is mitigated and continues to monitor performance at quarterly investment committee meetings.

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

6 This year's performance

The Statement of Financial Activities (SOFA) shows that the Group's unrestricted reserves increased by £718k (2024: decreased by £962k). Restricted reserves decreased by £5.0m inclusive of £4.0m recycled funds repaid to DCMS as part of the annual review (2024: increased by £216k, £844k returned to DCMS).

Unrestricted income, including transfers from restricted funds, decreased by £1.5m to £9.6m (2024: £11.1m). Unrestricted expenditure decreased by £1.2m to £9.9m (2024: £11.1m), due to decreased activity in the year. For full detail of this year's performance by the subsidiaries see Note 25 to the Group Accounts.

7 Reserves Policy

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

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

SIBF's reserves policy stipulates that the cash and reserves position is to be sufficient to cover a minimum of 6 months operating costs and to enable SIBF to develop new initiatives in support of its charitable objects. With 6 months operating costs estimated at £2.1m excluding any direct cost for the Youth Investment Funds (YIF) which would be recovered directly from Department for Digital, Culture, Media & Sport (DCMS), the Trustees have agreed a minimum reserves balance of £2.0m to £2.5m. At the end of the year, the Group's free unrestricted reserves stood at £23.2m.

8 Treasury Management Policy

SIBF and the Group as a whole, operate a Treasury Management Policy, Centred on reserves security, business needs, ethical investment and financial returns. This criteria means that investments are protected, access is facilitated, funds are used to support social or environmental benefit, and SIB builds relationships in the sector and influences banking attitudes to social enterprise.

**SOCIAL INVESTMENT BUSINESS FOUNDATION
REPORT OF THE BOARD OF TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025**

SIBF has several bank accounts across which funds are deposited to spread risk, our policy limits a maximum of £10m in any individual bank which must ideally have a positive view to ethical investment and have a green/amber rating on the Ethical Company Index (scoring over 35%) or should have adopted the Equator Principles and be listed on the current Equator Principles Financial Institutions (EPFIs) in line with our key principle of security for our assets. These limits are regularly reviewed, having been reviewed and agreed by the Audit and Finance Committee in 2024/25.

SIBF seeks wherever possible to invest its money ethically and responsibly, and in line with its wider mission; whilst ensuring operational functionality. This currently includes £10m invested with Cazenove within their Responsible Managed Asset Fund (RMAF) a Sustainable Multi-Asset Fund, from August 2023.

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

9 Structure, Governance and Management

(a) Background and Legal Structure the Group is formed as follows:

SIB Foundation – the ultimate parent company, a charity and company limited by guarantee SIBL is a private company limited by guarantee and a subsidiary of SIB Foundation.

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

SIBFM, SIB Loans and Thrive Together are private companies limited by shares, with SIBF as the sole shareholder.

(b) Governance and Decision Making

The governance structures and decision-making processes for all the companies in the Group are laid out in the relevant articles of association. In this financial year all the recommendations were enacted following the previous year's NCVO governance review in line with the Charity Governance Code this included setting up an internal Governance Working Group as well as a Governance Committee.

SIBF is governed by the members of the Board of Trustees. During the year the following Board Subcommittee Structure were in place:

- SIBF Investment Committee (quarterly)
- Group Audit & Finance Committee (quarterly)
- Group People & Governance Committee includes Remuneration (bi-annually)

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

For the Group we also ensure that governance and decision-making processes are in line with and enable us to meet contractual obligations set out in all agreements with external parties.

The Directors delegated the day-to-day management of the Group to the Executive team. The Executive team throughout the year were:

- | | |
|-----------------------------|-----------------------------|
| • Nicolas Temple | Chief Executive |
| • Genevieve Maitland Hudson | Deputy CEO |
| • Nishit Chikhli | Director of Finance |
| • Robert Benfield | Director of Investments |
| • Shelby Jane Bradley | Director of People & Values |

**SOCIAL INVESTMENT BUSINESS FOUNDATION
REPORT OF THE BOARD OF TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025**

Details of the Trustees who served during the year and to the date of signing the financial statements are shown on page 2 of this report. Seven Trustees were also Directors of SIBL during the year.

To the end of this financial year there have been no changes in the SIB Foundation's governance.

Each member agrees to contribute £1 in the event of the charity winding up. The remaining Founder Member, Locality, has the right to nominate a representative to sit on the Board of Trustees. All trustees are counted as members in their own right including the Locality representative.

The Trustees are committed to ensuring that the Boards have the combination of skills necessary to support the effective provision of finance to charities and community enterprises. We will ensure that our Board of Trustees have skills and expertise in the following areas: banking and investment, community regeneration and social enterprise, business, commercial law financial and risk management.

(c) Public Benefit Statement

The Trustees have considered the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. We are mindful of the need to ensure that all funds and activities will deliver public benefit and help us to meet our aims and objectives and are also taking account of Charity Commission guidance around non-charitable organisations.

The Trustees have a duty to include in this Annual Report a statement on the Charity's public benefit and demonstrate that:

- They are clear about what benefits are generated by the activities of the Charity.
- The benefits and beneficiaries are related and appropriate to the Charity's objects and aims.

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

(d) Fundraising statement

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. Although we do not undertake widespread fundraising from the general public, the legislation defines fund raising as "soliciting or otherwise procuring money or other property for charitable purposes." Such amounts receivable are presented in our accounts as "voluntary income" and includes legacies and grants.

In relation to the above we confirm that all solicitations are managed internally, without involvement of commercial participators or professional fundraisers, or third parties. The day-to-day management of all income generation is delegated to the Executive team accountable to the Trustees.

SIBF is not bound by any undertaking to be bound by any regulatory scheme and the SIBF does not consider it necessary to comply with any voluntary code of practice.

We have received no complaints in relation to fundraising activities. Our terms of employment always require staff to behave reasonably; as we do not approach individuals for funds, we have not specified this to fundraising activities nor do we consider it necessary to design specific procedures to monitor such activities.

(e) Related parties

Related party transactions are referred to in detail in Note 24 to the financial statements.


**SOCIAL INVESTMENT BUSINESS FOUNDATION
REPORT OF THE BOARD OF TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025**

(f) Disclosure of Information to Auditor

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees report, incorporating the Strategic Report was approved by the Trustees of SIB Foundation on 24 September 2025 and signed on their behalf.



Sonali Siriwardena
Chair



Jagjit Dosanjh-Elton
Trustee

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

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

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

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

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

Opinion

We have audited the financial statements of Social Investment Business Foundation (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2025 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 group's and the parent charitable company's affairs as at 31 March 2025 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 group's or parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and Strategic Report included within 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 the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report and Strategic Report included within the Trustees' Report.

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 12, 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 group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF SOCIAL INVESTMENT BUSINESS FOUNDATION FOR THE YEAR ENDED 31 MARCH 2025

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the group and parent charitable company operates in and how the group and parent charitable company are complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the parent charitable company's governing document, tax legislation and Charities (Protection and Social Investment) Act 2016. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents, inspecting correspondence with local tax authorities and evaluating advice received from external advisors.

The group audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

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

Use of our report

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

RSM UK Audit LLP

NICHOLAS SLADDEN (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

Date: 25 September 2025

SOCIAL INVESTMENT BUSINESS FOUNDATION
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (incorporating income and expenditure account)
FOR THE YEAR ENDED 31 MARCH 2025

	Notes	Unrestricted Funds 2025 £'000	Restricted Funds 2025 £'000	Group 2025 £'000	Group 2024 £'000
Income from:					
Donations	2	508	-	508	468
Charitable activities:					
Investment income	3	958	1,563	2,521	2,205
Fund management income	4	6,402	6,136	12,538	7,671
Grant income	4	1,587	171,202	172,789	58,678
Other income	5	121	30	151	527
Total income		9,576	178,931	188,507	69,549
Expenditure on:					
Charitable activities:					
Fund management costs	6	(9,026)	(6,989)	(16,015)	(10,764)
Fund costs - grants awarded	8	(889)	(170,759)	(171,648)	(57,678)
Repayments to DCMS	8	-	(3,917)	(3,917)	(844)
Total expenditure		(9,915)	(181,665)	(191,580)	(69,286)
Net movement on investments					
Investment provision (increase)/decrease	8	(971)	111	(860)	109
Net loss on investments		(164)	-	(164)	(988)
		(1,135)	111	(1,024)	(879)
Net expenditure		(1,474)	(2,623)	(4,097)	(616)
Transfers between funds	21	2,198	(2,198)	-	-
Net income/(expenditure) before tax	9	724	(4,821)	(4,097)	(616)
Corporation tax charge	11	(6)	(149)	(155)	(130)
Net movement in funds		718	(4,970)	(4,252)	(746)
Reconciliation of funds					
Funds brought forward at 1 April		22,523	19,835	42,358	43,104
Funds carried forward at 31 March		23,241	14,865	38,106	42,358

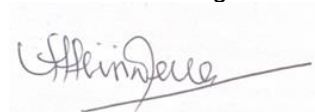
The notes on page 19 to 44 form part of these financial statements.

		Group		Foundation	
	Notes	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Fixed assets					
Intangible fixed assets	12	2	11	-	-
Mixed motive investments - loans to investees	13	26,682	27,078	2,063	2,860
Mixed motive investments – other investments	14	2,618	2,446	2,618	2,446
Investments - loan to subsidiary				580	
Investment in subsidiary	25	-	-	7,000	6,500
Investments	15	10,126	10,443	10,126	10,443
		<u>39,428</u>	<u>39,978</u>	<u>22,387</u>	<u>22,249</u>
Current assets					
Debtors	16	1,931	2,098	1,649	1,899
Short term deposits		2,707	3,888	2,707	3,888
Cash at bank and in hand		10,522	11,566	2,655	2,151
		<u>15,160</u>	<u>17,552</u>	<u>7,011</u>	<u>7,938</u>
Current liabilities					
Creditors: amounts falling due within one year	17	(4,008)	(3,151)	(163)	(280)
		<u>(4,008)</u>	<u>(3,151)</u>	<u>(163)</u>	<u>(280)</u>
Net current assets		11,153	14,401	6,848	7,658
Total assets less current liabilities		50,581	54,379	29,235	29,907
Creditors: amounts falling due after more than one year					
Amounts owed to fund co-investors	19	(12,475)	(12,021)	-	-
Net assets		<u>38,106</u>	<u>42,358</u>	<u>29,235</u>	<u>29,907</u>
Funds					
Unrestricted funds	21	23,241	22,523	23,965	21,978
Restricted funds	21	14,865	19,835	5,270	7,929
Total funds	21	<u>38,106</u>	<u>42,358</u>	<u>29,235</u>	<u>29,907</u>

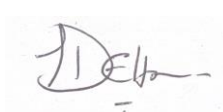
The notes on pages 19 to 44 form part of these financial statements.

SIBF has taken advantage of the exemption in section 408 of the Companies Act 2006 not to present its own Statement of Financial Activities. The net movement in funds for the year generated by the Foundation was a deficit of £672k (2024: £257k) based on a net expenditure of £672k (2024: £257k).

These financial statements were approved by the Board of Directors and authorised for issue on 24 September 2025 and were signed on its behalf by:



Sonali Siriwardena
Chair



Jagjit Dosanjh-Elton
Trustee

**SOCIAL INVESTMENT BUSINESS FOUNDATION
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2025**

	Notes	2025 £'000	2024 £'000
Operating activities			
Cash used in operating activities	23	(4,943)	(1,183)
Corporation taxes paid		(130)	(244)
Net cash used in operating activities		(5,073)	(1,427)
Cash flows from investing activities			
Investment in mixed motive investment		(30)	(217)
Co-investor drawdown		2,500	4,300
Repayments of borrowings		(2,184)	(4,811)
Investment income		2,521	2,205
Payments for financial investments		(6,282)	(7,231)
Repayments from mixed motive investments		6,323	6,731
Net cash generated by investing activities		2,848	977
Net (decrease) in cash and cash equivalents		(2,225)	(450)
Cash and cash equivalents at the beginning of the year		15,454	15,904
Cash and cash equivalents at the end of the year		13,229	15,454
Analysis of cash and cash equivalents			
		2025 £'000	2024 £'000
Cash at bank and in hand		10,522	11,566
Short term deposits		2,707	3,888
		13,229	15,454

The notes on page 19 to 44 form part of these financial statements.

1 Significant accounting policies

(a) Reporting entity

Social Investment Business Foundation (SIBF) is a private company limited by guarantee (company number 05777484) and a registered charity (charity number 1117185), registered and domiciled in England and Wales. The principal activities of the Group are documented in the Trustees' Report. The registered office address of SIBF and its subsidiaries is Canopi, Arc House, 82 Tanner Street, London, England, SE1 3GN.

The Group consists of the ultimate parent SIBF (the Foundation) and its subsidiaries: The Social Investment Business Limited (TSIB - 100% owned), Futurebuilders England Limited (FBE - 100% owned), Social Investment Business FM Ltd (SIBFM - 100% owned), Thrive Together (SIB) Limited (100% owned), Energy Resilience Limited (100% owned) and Social Investments Business Loans Limited (SIB Loans - 100% owned). All subsidiaries are included in the consolidated financial statements of SIBF. Both SIBL and FBE have traded under the name of the Social Investment Business since 28 July 2009.

The Group is authorised for the Communitybuilders Fund, Futurebuilders Fund, Modernisation Fund, and the Resilience and Recovery Loan Fund, as the fund manager, to act as the principal, therefore all transactions relating to these funds are recorded in the Statement of Financial Activities and the Balance Sheet. The Group acts as principal for the Access Reach and Access Impact Grants.

The Group is authorised by the Social Enterprise Investment Fund (SEIF), as the fund manager, to act as the agent, therefore transactions relating to this fund are not part of the financial statements of the Group. Income received for managing the fund and the cost associated with managing the fund are recorded in the financial statements.

(b) Basis of preparation

These financial statements for the Group are prepared on the going concern basis, under the historical cost convention, and in accordance with the Charities Act 2011, Companies Act 2006, and applicable accounting standards in the United Kingdom. These financial statements have also been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

The Foundation constitutes a public benefit entity as defined by FRS 102. The financial statements are prepared in sterling, both the functional and presentational currency of the Group. Financial values are rounded to the nearest £'000.

The Foundation has chosen to take advantage of the exemption from disclosing the following information in its company only accounts, as permitted by the reduced disclosure regime within FRS 102:-

- Section 7 'Statement of Cash Flows' – *Presentation of a Statement of Cash Flows and related notes and disclosures.*

The financial statements of the Foundation are consolidated in the financial statements of SIBF. The consolidated financial statements of SIBF are available from Canopi, Arc House, 82 Tanner Street, London, England, SE1 3GN.

(c) Going concern

The Trustees have reviewed the forecasts for each company in the group, covering a period of 12 months from the date of signing these financial statements with concentration on the overall group position as the parent Charity (SIBF) would underwrite any losses in its subsidiaries.

Where SIB's own funds are directly invested, SIB has continued to retain a cautious provisioning position to ensure any future risk is mitigated and continues to monitor performance at quarterly investment committee meetings.

The entities within the group are anticipated to have sufficient cash resources for at least 12 months following the date of signing these financial statements. As a result, the Trustees have not identified any material uncertainties and therefore consider it appropriate for the accounts to be prepared on a Going Concern.

1 Significant accounting policies (continued)

(d) Basis of consolidation

The financial statements consolidate the results of the Foundation and its subsidiary undertakings on a line-by-line basis. The entities consolidated are those listed in the Note 25. All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. SIBF has taken advantage of the exemption in section 408 of the Companies Act 2006 not to present its own Statement of Financial Activities.

(e) Fund accounting

Restricted funds

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

Unrestricted funds

Unrestricted funds are available for use against operating costs in delivery of specific funds as stated in the service agreements in place and within the overall price therein, but at the Trustees' discretion in how delivery is achieved within that price. Where contracts might place restrictions on any gains, any cost savings are repayable to the appropriate funder on a basis specified in the contract. Fees payable to the Group for the management of restricted funds are unrestricted and are transferred from restricted to unrestricted funds.

Unrestricted funds include designated funds where the Trustees, at their discretion, have created a fund for a specific purpose. Further details of each fund are disclosed in Note 21.

(f) Investment in subsidiaries

In the separate accounts of the Foundation, interests in subsidiaries and associates are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. Interest in subsidiaries and associates are assessed for impairment at each reporting date. Any impairment losses or reversals of impairment losses are recognised immediately in the Statement of Financial Activities.

(g) Investment in associate – Social and Sustainable Capital LLP (SASC)

SIBF continues to be a shareholder and investor in Social and Sustainable Capital LLP (0C378569) and its funds. During the year, the SIB investment in the Community Investment Fund (CIF) was largely recovered, and SIBF's remaining share in the LLP is 7.92% (before restructure).

Further details of this transaction can be seen in note 14.

1 Significant accounting policies (continued)

(h) Income

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

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

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

In some circumstances, the Group acts as agent with regard to the distribution certain funds, payments received in relation to these funds and subsequent disbursements to the intended recipients are excluded from the Statement of Financial Activities as the Group does not have control over the charitable application of the funds. Funds received but not disbursed at the year end are included in other creditors on the Balance Sheet. Details of these are disclosed within Note 27.

Grant income, where the Group operates as principal, 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 meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

Pro bono activities

Services received from professional service providers on a pro bono basis are recognised within donations at the fair value of the services provided as determined by the third parties, with an equivalent amount recognised within governance costs.

(i) Expenditure

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

Costs incurred on charitable activities comprise all the expenditure incurred by the Group in undertaking its charitable objectives. Expenditure is allocated between:

- expenditure incurred directly to the fulfilment of the Foundation's objectives
- expenditure on the governance infrastructure which allows the Foundation to operate and to generate the information required for public accountability.

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

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

Governance costs are costs incurred in connection with meetings of the Board of Trustees and Committees of the Group, fees paid to the statutory auditor, internal auditor and legal fees where they are not for services provided in relation to fund management activities. The expenditure classed as governance costs has been detailed in Note 7, and these costs have been allocated over fund management costs on the basis of staff time spent on these activities.

1 Significant accounting policies (continued)

(i) Expenditure (continued)

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

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

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

(j) Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

(k) Defined contribution pension schemes

The Group operates a defined contribution pension scheme. Contributions to the pension scheme are recognised as an expense in the Statement of Financial Activities as incurred. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

(l) Operating leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight-line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(m) Taxation

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

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

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

The Group's subsidiaries are liable for corporation tax on their operating profits, to the extent not gift-aided to the holding charity.

(n) Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Website and software licenses	3-5 years (20% - 33% per annum)
-------------------------------	---------------------------------

1 Significant accounting policies (continued)

(o) Financial investments

Financial investment loans, equivalent to mixed motive investments, are recognised at the point of the disbursement under the conditions set out in the loan. Financial investment loans are subsequently carried at amortised cost, being transaction price less any amounts settled and any impairment losses as assessed.

Trade investments are equity investments over which the Group has no significant influence, joint control or control and are initially measured at transaction price. Transaction price includes transaction costs, except where trade investments are measured at fair value through profit or loss when transaction costs are expensed to profit or loss as incurred.

Trade investments are initially recognised at their transaction value and subsequently measured at their fair value through profit or loss as at the balance sheet date using the closing quoted market price.

(p) Financial instruments

The Group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the Group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include trade debtors, amounts owed by subsidiaries and accrued income, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost being the transaction price less any amounts settled and impairment losses.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some (but not substantially all) risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

1 Significant accounting policies (continued)

(q) Financial instruments (continued)

Classification of financial liabilities

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 Group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, which include trade and other creditors and accruals, are initially recognised at transaction price and subsequently measured at amortised cost, being transaction price less any amounts settled. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Concessionary loans

Concessionary loans are initially measured at the amount paid. In subsequent years, the carrying amount of concessionary loans is adjusted to reflect any interest receivable, where relevant.

(q) Provisions

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in "finance costs".

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

The Group makes specific provisions for impairment against loans when, as a result of frequent monitoring and review by the Investment Committees, it is considered that recovery is doubtful. A calibrated risk approach to the investment books of the Futurebuilders, Modernisation, Communitybuilders, Adventure Capital Funds, Forward Enterprise Fund, Liverpool LIF, Resilience & Recovery Loan and Recovery Loan Funds results in a further general provision being made to the financial investments, after taking account of individual specific provisions. Provisions made during the year, less amounts released, are charged to the Statement of Financial Activities and are netted off against financial investments in the Balance Sheet.

(r) Cash and cash equivalents

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

(s) Critical accounting judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Foundation's accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The key areas that are deemed to be material for these financial statements are as follows:

Significant judgement and estimates – provisions on financial investment loans

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

In respect of financial investments, the amount of specific provisions is £4.8m (2024: £5.5m), and the risk calibrated provision applied to the financial investments is £0.7m (2024: £0.9m).

1 Significant accounting policies (continued)

(t) Critical accounting judgements and estimates (continued)

Futurebuilders England Limited fund treatment

The contracts dated 1 April 2011 between Cabinet Office and SIBL and between Cabinet Office and FBE to manage the funds advanced by Cabinet Office to FBE expired on 31 March 2013. Those contracts expressly stated that FBE was acting as principal and on this basis, and taking into account the substance of the relationship with Cabinet Office, the assets and liabilities of FBE were fully consolidated in the accounts of the Group at 31 March 2013 and previous years and the monies advanced by Cabinet Office were treated as restricted funds.

This contract was replaced by a new contract between SIBL and Cabinet Office which ran from 1 April 2013 to 31 March 2016. Although there are some differences between the previous contract and the new contract, the governance arrangements, and the substance of the relationship between SIBL and Cabinet Office with regard to the management of these funds, remain largely unchanged, with the contract extended to March 2026.

In particular, Cabinet Office has advised that, in its opinion, FBE continues to act as principal under the contract and the contract specifically states that FBE "will hold the assets and liabilities of the fund on its Balance Sheet" although the new contract does not have an express statement confirming that FBE acts as principal not as agent.

However, the directors agree with the stance taken by Cabinet Office on the basis that FBE has discretion over whom funds are distributed to. In addition, all loan agreements are between FBE and the investee and not with the DCMS. In all these circumstances, the assets and liabilities of FBE continue to be fully consolidated in the Group's accounts at 31 March 2025 and the monies advanced by Cabinet Office continue to be treated as restricted funds. However, under the new contract, the Cabinet Office:

- has the right to terminate the contract at any time by giving at least three months' notice;
- will be given all shares in FBE for no consideration at the end of such notice period, and
- can require FBE to "deal with the Funds in the manner directed by Cabinet Office".

If the above were to occur, there would be a change in the nature of the relationship with Cabinet Office and in the substance of the agreement with SIBL. In such circumstances, the Group would immediately recognise in its accounts:

- a disposal of a subsidiary undertaking for no consideration should Cabinet Office serve notice to terminate the contract; or
- a liability should Cabinet Office make a request for funds to be returned to them.

The Futurebuilders contract with the Cabinet Office was transferred to DCMS during 2016/17.

2 Donations

	Group 2025 £'000	Group 2024 £'000
Pro bono legal services	508	468
	<u>508</u>	<u>468</u>

Pro bono services relate to activities received from professional service providers and are included within donations. Governance costs have been grossed up by an equivalent amount.

In 2025, £Nil of the donation income (2024: £Nil) was attributable to restricted funds with £508k (2024: £468k) being attributable to unrestricted funds.

SOCIAL INVESTMENT BUSINESS FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

3 Investment income

	Group 2025 £'000	Group 2024 £'000
By funding:		
Adventure Capital Fund (ACF)	-	1
Futurebuilders Fund	470	521
Forward Enterprise FM Limited	6	7
Liverpool Local Impact Fund (Liverpool LIF)	4	4
Communitybuilders Fund	86	102
Resilience & Recovery Loan Fund	233	376
Recovery Loan Fund	851	583
First Steps Enterprise Fund (FSE)	4	4
Thrive Together Fund	288	29
Other investment income	579	578
	<u>2,521</u>	<u>2,205</u>
By nature:		
Interest on investments	1,942	1,627
Interest on bank deposits	579	578
	<u>2,521</u>	<u>2,205</u>

Investment income relates to loan interest receivable on ACF, Futurebuilders, Forward Enterprise FM, Liverpool LIF, Communitybuilders, Resilience & Recovery Loan, Recovery Loan Fund, First Steps Enterprise Fund, Thrive Together Fund and the investment in Responsible Multi Asset Funds and bank deposit interest.

In 2025, £1,563k of the investment income (2024: £1,509k) was attributable to restricted funds with £958k (2024: £696k) being attributable to unrestricted funds.

4 Fund management income and grant income

	Group 2025 £'000	Group 2024 £'000
Fund management fees	12,538	7,671
Grant income	172,789	58,678
Total fund management and grant income	<u>185,327</u>	<u>66,349</u>

Fund management fees are derived from managing grant and loan funds, of which £6,136k (2024: £124k) is attributable to restricted funds and £6,402k (2024: £7,547k) is attributable to unrestricted funds.

Of the grants under management £171,202k (2024: £56,684k) was attributable to restricted funds whereas £1,587k (2024: £1,994k) was attributable to unrestricted funds.

5 Other income

	Group 2025 £'000	Group 2024 £'000
Other income including Business Support income	151	527
	<u>151</u>	<u>527</u>

Business Support income is for support provided to investees by staff and external consultants under the Communitybuilders Fund and the Social Enterprise Investment Fund and which has been recharged to these funds. In 2025, £121k (2024: £350k) of the other income was attributable to unrestricted funds and £30k (2024: £177k) was attributable to restricted funds.

SOCIAL INVESTMENT BUSINESS FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

6 Analysis of direct and support costs

	Group 2025 £'000	Group 2024 £'000
Direct costs		
Staff costs	2,542	2,418
Premises and operational	516	513
Legal and other professional	34	11
Depreciation	6	9
Business consultants - investee support	15	30
Other consultancy	195	263
Other direct costs	5,961	2,851
Direct fund management	1,022	686
Support costs		
Governance	1,344	1,103
Support costs	4,380	2,880
	16,015	10,764

In 2025, £6,989k (2024: £574k) of the fund management costs was attributable to restricted funds and £9,026k (2024: £10,190k) was attributable to unrestricted funds.

7 Allocation of governance and support costs

Governance and support costs comprise the following:

	Group 2025		Group 2024		Basis of appointment
	Governance £'000	Support Costs £'000	Governance £'000	Support Costs £'000	
Staff costs	150	1,201	142	1,143	Staff time
Premises and operational	30	244	30	243	Staff time
Legal and other professional	2	16	1	6	Invoices
Pro bono legal fees	508	3	468	3	Invoices
Board and investment committee costs	115	-	157	-	Invoices
Auditors' remuneration - audit services	69	-	61	-	Governance
Auditor's remuneration - non audit services	62	-	53	-	Governance
Internal audit	6	-	6	-	Governance
Other consultancy	51	99	17	138	Staff time
Other support costs	351	2,817	168	1,347	Staff time
	1,344	4,380	1,103	2,880	

SOCIAL INVESTMENT BUSINESS FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

8	Grants paid	Group 2025 £'000	Group 2024 £'000
	Grants awarded	171,648	57,678

The Foundation undertakes its charitable activities through grant making and awarding grants to a number of individuals and institutions in furtherance of its charitable activities. £889k (2024: £936k) of grants were made from unrestricted funds and £170,759k (2024: £56,742k) were from restricted funds.

Recipients of grants:	2025		2024	
	No. of grants	£'000	No. of grants	£'000
Arts, Heritage, Sports and Faith	32	620	23	378
Citizenship and Community	39	573	41	793
Conservation of the Natural Environment	10	115	23	427
Employment	20	416	19	242
Family, Friends and Relationships	5	88	7	104
Housing and Local Facilities	26	638	22	549
Income and Financial Inclusion	17	351	15	207
Mental Health and Wellbeing	66	1,021	74	993
Physical Health	20	288	15	287
Training and Education	29	690	53	1,261
Other	2	270	11	182
Youth Investment Funds	226	162,032	244	52,532
Less: Grants awarded last year, disbursed this year		(1,640)		(1,917)
		165,462		56,038
Grants awarded but not disbursed				
Youth Investment Funds		5,594		483
Employment		-		8
Other		592		1,149
		171,648		57,678

	Notes	Group 2025 £'000	Group 2024 £'000
Repayments to DCMS			
Amounts repaid to the DCMS		3,917	844

In 2025, expenditure of £3,917k (2024: £844k) was attributable to restricted funds relating to FBE.

Investment provisions/write offs made in year:

<i>Write offs</i>			
Capital	13	848	2,141
Interest		12	1
		860	2,142
<i>Provisions</i>			
Capital	14	-	(1,125)
Interest		-	74
		-	(1,051)
<i>Other adjustments</i>			
Investment in SASC		-	(1,200)
Net income related to fund costs		860	(109)

In 2025, income of £111k (2024: income of £7k) was attributable to restricted funds with expenditure of £971k (2024: income of £102k) attributable to unrestricted funds.

SOCIAL INVESTMENT BUSINESS FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

9 Net expenditure for the year

	Group 2025 £'000	Group 2024 £'000
Net expenditure for the year is stated after charging:		
Amortisation of intangible fixed assets	9	9
Internal audit	<u>6</u>	<u>6</u>
Fees payable to the group's auditors:	Group 2025 £'000	Group 2024 £'000
Audit of financial statements	66	61
Taxation compliance services	26	22
All other non-audit services	<u>36</u>	<u>31</u>

10 Staff costs

	Group 2025 £'000	Group 2024 £'000
Wages and salaries	3,332	3,147
Social security costs	338	343
Other pension costs	222	213
	<u>3,892</u>	<u>3,703</u>

Included in the figures above are payments made to the Group and Foundation key management personnel (including employer pension contributions, and employer national insurance contributions) defined as Directors and the Group Senior Management Team (CEO, Director of Finance, Deputy CEO, Director of Investments and Director of People & Values). Remuneration for the 5 members of the Group Senior Management Team totalled £638,788 (2024: 5 members, £571,904) including pension payments of £38,996 (2024: £37,285) and employer's national insurance of £65,055 (2024: £59,315).

The payments to Directors of SIBF Board are for their services to the Group. Authority for remunerating directors is included within the memorandum and articles of SIBF. The total SIBF directors' remuneration is £13,575 (2024: £12,480) of which the Chair is paid £13,575 (2024: £12,480). The Chair is paid by TSIB £27,149 (2024: £27,310) of which £13,574 (2024: £12,480) is recharged to SIBF.

Payments are also made to the Directors of TSIB, a subsidiary of SIBF. The total TSIB director remuneration costs are £63,800 (2024: £45,714) of which £Nil (2024: £Nil) relates to pension payments. This means that the total Group Trustee and Director costs amounted to £77,375 (2024: £58,194) including pension payments of £Nil (2024: £Nil).

During the year £9.3k compensation was made to employees for loss of office (2024: £Nil).

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

	Group 2025 No	Group 2024 No
Operational staff	67	67
Management staff	<u>6</u>	<u>5</u>
	<u>73</u>	<u>72</u>

SOCIAL INVESTMENT BUSINESS FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

10 Staff costs (continued)	Group 2025 No	Group 2024 No
The number of employees whose employee benefits (excluding employer pension costs and employer national insurance contributions) exceeded £60,000 was:		
£60,000 - £69,999	5	5
£70,000 - £79,999	2	3
£80,000 - £89,999	1	3
£90,000 - £99,999	2	2
£100,000 - £109,999	1	-
£130,000 - £139,999 *	1	1
	<u>17</u>	<u>14</u>

*Includes the Chief Executive

No members of operational staff were employed by the parent company SIBF (2024: None).

Board, Investment Committee and Directors' remuneration

Board, Investment Committee and Directors' remuneration are payments to members of the SIBL and SIBF Board for their services to the Group. Authority for remunerating Directors is included within the memorandum and articles of SIBF.

	Salary		Expenses	
	2025	2024	2025	2024
	£	£	£	£
Rt Hon Hazel Blears	-	27,194	-	-
James Rice	-	4,000	-	-
Jenny North	-	4,000	-	-
Amina Ahmad	5,008	4,000	-	-
Jagjit Dosanjh-Elton	8,007	7,000	-	-
Anne-Marie Vine-Lott	7,110	-	-	-
Gavin Keyte	10,023	7,000	145	-
Hugh Rolo	-	5,000	-	-
Sonali Siriwardena	27,149	-	-	-
Christopher Barnard	5,000	-	1,718	-
Debjani Ghosh	5,039	-	-	-
Louisa Mitchell	5,000	-	-	-
Magdalene Bayim-Adodmako	5,039	-	-	-
	<u>77,375</u>	<u>58,194</u>	<u>1,863</u>	<u>-</u>

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

10 Staff costs (continued)

Pensions

No pension contributions were paid to Board and Investment committee members during this year or the prior year.

SIBF operates a defined contribution pension scheme open to all staff employees (including Directors), administered by AEGON, and pays employer's contributions at three different rates for all staff who were employed before 1 August 2016: 6.79%, 9.06% and 11.33% depending on the level of employee contribution and two rates for all staff employed on 1 August 2016 and onwards: 6% or 8% depending on level of employee contribution.

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

Included within other creditors, outstanding pension contributions for the Group at the year-end were £Nil (2024: £30,260).

Other Board, Investment Committee and Directors' costs

A total of £1,863 was paid in other Board, Investment Committee and Director costs in the year ended 31 March 2025 (2024: £Nil).

11 Corporation tax (charge)/credit

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

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

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

	2025 £'000	2024 £'000
Net expenditure		
Net expenditure before taxation	(4,097)	(746)
Tax at 25% thereon	(1,024)	(187)
Effects of:		
Expenses not deductible for tax purposes	1,167	331
Adjustments in respect of prior years	(7)	-
Deferred tax not recognized	12	(14)
Utilisation of tax losses	7	-
Actual current tax credit/(charge)	155	130

A potential deferred tax asset of £219,904 exists at the year-end (2024: £3,916) relating to fixed asset timing differences and tax losses. This has not been recognised within the financial statements, due to the uncertainty of recognition.

SOCIAL INVESTMENT BUSINESS FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

12 Intangible fixed assets

	Website & software licenses £'000
Group	
Cost	
At 1 April 2024	27
At 31 March 2025	27
Amortisation	
At 1 April 2024	16
Amortisation charged for the year	9
At 31 March 2025	25
Net book value	
At 31 March 2025	2
At 1 April 2024	11

The Foundation had no intangible fixed assets at 31 March 2025 or 31 March 2024.

13 Financial investments

Financial investments are in the form of loans and guarantees and are mixed motive investments. This year the Group have made specific provisions against 1 loan (2024: 1) which may be non-performing. The Trustees believe that the carrying value of the investments is supported by their underlying assets.

	Group		Foundation	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Balance at 1 April	27,078	26,771	2,860	3,628
New loans disbursed	6,283	7,231	-	133
Repayments received	(6,323)	(6,731)	(541)	(569)
Loan balance at 31 March before write off and provisions	27,038	27,271	2,319	3,192
Loans written off	(847)	(2,141)	(724)	(314)
Movement in provisions	491	1,948	468	(18)
	(356)	(193)	(256)	(332)
Balance at 31 March	26,682	27,078	2,063	2,860

	Group		Foundation	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Maturity of loans and advances:				
Within 1 year	6,220	322	287	29
Over 1 year to 5 years	18,726	13,792	714	671
Over 5 years	1,736	12,964	1,062	2,160
	26,682	27,078	2,063	2,860

13 Financial investments (continued)

	Group		Foundation	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Provisions brought forward 1 April	6,033	7,983	1,783	1,765
(Decrease)/Increase in provisions	575	(3,861)	-	(295)
Provisions written back/(off)	(1,066)	1,911	(468)	313
Provisions carried forward 31 March	<u>5,542</u>	<u>6,033</u>	<u>1,315</u>	<u>1,783</u>

SIBF

The Foundation shows a decrease in provision in the year of £468k (2024: increase of £18k).

Futurebuilders England Limited

During the year, no specific provision was made (2024: £Nil). Specific provisions were released across 3 loans totalling £556k (2024: £1.8m, 3 loans). In addition, the risk calibrated provision was decreased by £43k (2024: decreased by £188k).

SIB FM Limited

During the year, specific provisions decreased by £1k on 7 loans (2024: decreased by £55k, 4 loans). In addition, the risk calibrated provision was increased by £30k (2024: increased by £130k).

SIB Loans Limited

During the year, an additional specific provision of £287k was made on 8 loans (2024: £128k, 1 loan). In addition, the risk calibrated provision was increased by £30k (2024: increased by £107k).

Thrive Together (SIB) Limited

During the year specific provisions were made of £267k on 3 loans (2024: £Nil). A risk calibrated provision of £21k was made (2024: £17k).

Energy Resilience (SIB) Limited

During the year no specific or risk calibrated provisions were raised.

SOCIAL INVESTMENT BUSINESS FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

14 Financial investments – movements in other mixed motive investments

Group and Foundation

	2025	2024
	£'000	£'000
<i>CIF</i>		
Opening investment	585	550
Investment in CIF	97	35
Revaluation	17	-
Closing investment	<u>699</u>	<u>585</u>
Opening provision	-	(76)
Provision recovered/(increase)	-	76
Closing provision	<u>-</u>	<u>-</u>
Balance at 31 March	<u><u>699</u></u>	<u><u>585</u></u>
<i>SASH</i>		
Opening investment	1,861	1,631
Investment in SASH	<u>58</u>	<u>230</u>
Balance at 31 March	<u><u>1,919</u></u>	<u><u>1,861</u></u>
<i>TSIF</i>		
Opening investment	-	1,500
Disposal	-	(1,125)
Revaluation	-	(375)
Closing investment	<u>-</u>	<u>-</u>
Opening provision	-	(1,125)
Provision recovered	-	<u>1,125</u>
Closing provision	<u>-</u>	<u>-</u>
Balance at 31 March	<u><u>-</u></u>	<u><u>-</u></u>
Total balance at 31 March	<u><u>2,618</u></u>	<u><u>2,446</u></u>

SASC investment

During 2013, SIBF acquired a 29% share of SASC – entitling the Group to a 51% share of all future profit distributions. The investment in this associate has been accounted for using the equity method – with the initial investment recognised at cost which is considered to be the fair value of the consideration paid by the Group. The carrying amount of the investment is increased or decreased to recognise the Group's share of the profit or loss of SASC - and this profit or loss is reflected in the Group's results for the period.

In 2022, SIBF's exit of SASC's CIF reduced its share of SASC down to 10.56% this financial year. The share % of SASC is below the associate threshold and therefore SASC investments and provisions have been reclassified from investment in associate to other mixed motive investments.

As at 31 March 2025, SIBF has an investment in the Community Investment Fund of £699k and Social and Sustainable Housing Fund of £1,919k. The total investment into SASC is £2,618m.

SOCIAL INVESTMENT BUSINESS FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

15 Financial investments - responsible multi asset fund

Group and Foundation	2025 £'000	2024 £'000
Listed investments		
Market value brought forward	10,443	9,914
Management fees	(12)	(12)
Net (loss)/gain on revaluation	(305)	541
Market value as at year-end	<u>10,126</u>	<u>10,443</u>
Investments at fair value comprised:		
Equities	7,353	7,325
Bonds and Alternatives	2,435	2,616
Cash held within the investment portfolio	338	502
Market value as at year-end	<u>10,126</u>	<u>10,443</u>

All investments are carried at their fair value. The investments are in the responsible multi asset fund managed by Cazenove. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transactional value).

16 Debtors: amounts falling due within one year

	Group		Foundation	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Trade debtors	1,680	1,635	-	-
Investee interest receivable	17	73	17	17
Prepayments and accrued income	234	390	-	16
Amounts owed by subsidiaries	-	-	1,632	1,866
	<u>1,931</u>	<u>2,098</u>	<u>1,649</u>	<u>1,899</u>

Including in Foundation amounts owed by subsidiaries is the intercompany loan issued to Thrive Together of £580k (2024: Nil)

17 Creditors: amounts falling due within one year

	Group		Foundation	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Trade creditors	1,095	404	-	-
Other taxation and social security	120	232	-	-
Corporation tax	288	130	-	-
Other creditors	657	1,038	135	133
Accruals	435	348	-	147
Amount due to subsidiaries	-	-	28	-
Deferred income (note 18)	1,413	999	-	-
	<u>4,008</u>	<u>3,151</u>	<u>163</u>	<u>280</u>

SOCIAL INVESTMENT BUSINESS FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

18 Deferred income

	Group		Foundation	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
As at 1 April 2024	999	238	-	-
Income deferred during the year	835	873	-	-
Amounts released from previous year	(421)	(112)	-	-
As at 31 March 2025	<u>1,413</u>	<u>999</u>	<u>-</u>	<u>-</u>

Deferred income relates to the arrangement fees received in advance of the loan on disbursement of the loan (SIBFM) and grant funds received for the future default cost of loans issued (Thrive and Energy).

19 Creditors: amounts falling due after more than one year

	Group		Foundation	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Amounts owed to co-investors:				
Owed to BSC, co-investor in SIBFM	2,975	5,021	-	-
Owed to co-investors in SIB Loans	9,500	7,000	-	-
	<u>12,475</u>	<u>12,021</u>	<u>-</u>	<u>-</u>

Loan owed to Better Capital Society (BSC), co-investor in SIBFM

Repayments are made to BSC Loan Funds twice yearly following the end of the availability period from SIB FM cash balances, after TSIB management fees have been deducted. Accordingly, none of the BSC Loan Funds are expected to be payable within one year and fall due between two and five years.

No security is given over these loans and no interest is charged on the balance.

Loan owed to co-investors in SIB Loans

Co-investor funds in SIB Loans are payable in 9 years, with an availability period of 5 years. An additional drawdown has been made in the year in relation to the Recovery Loan Fund (RLF) programme.

Security on this loan is over the shares of SIB Loans and there is a fixed and floating charge debenture over all assets. 3% interest is charged on this loan.

20 Financial instruments

Group and Foundation

The Group and Foundation has the following financial assets held at fair value through profit or loss:

	2025	2024
	£'000	£'000
Equity investments held at fair value through profit or loss (Note 15)	<u>10,126</u>	<u>10,443</u>

SOCIAL INVESTMENT BUSINESS FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

21 Funds

<i>In the year</i>	Balance 1 April 2024 £'000	Income £'000	Expenditure and provisions £'000	Transfers £'000	Balance 31 March 2025 £'000
Group					
Futurebuilders Fund	11,625	471	(3,767)	(263)	8,066
Resilience & Recovery Fund	-	234	(180)	(54)	-
Energy Resilience Fund	-	514	(406)	393	501
Communitybuilders Fund (Recovery Loan Fund)	3,544	951	(739)	(243)	3,513
Other investment funds	4,770	6,071	(5,921)	(2,031)	2,889
Grant funds	(104)	170,690	(170,690)	-	(104)
Restricted funds carried forward	19,835	178,931	(181,706)	(2,198)	14,865
Designated funds	6,521	1,929	(2,264)	-	6,186
Unrestricted funds	16,002	7,647	(8,792)	2,198	17,055
Total funds carried forward	42,358	188,507	(192,759)	-	38,106
 <i>Previous year</i>	 Balance 1 April 2023 £'000	 Income £'000	 Expenditure and provisions £'000	 Transfers £'000	 Balance 31 March 2024 £'000
Group					
Futurebuilders Fund	11,978	542	(585)	(310)	11,625
Resilience & Recovery Fund	-	376	(277)	(99)	-
Communitybuilders Fund (Recovery Loan Fund)	3,013	707	(469)	293	3,544
Other investment funds	4,675	185	(81)	(9)	4,770
Grant funds	(47)	56,684	(56,741)	-	(104)
Restricted funds carried forward	19,619	58,494	(58,153)	(125)	19,835
Designated funds	9,720	2,068	(5,267)	-	6,521
Unrestricted funds	13,765	8,987	(6,875)	125	16,002
Total funds carried forward	43,104	69,549	(70,295)	-	42,358

The Board approved back in January 2022 to create a £10m Strategic Designated Reserve to be invested for impact in line with the strategy by March 2026. As at the year end, the Board have approved £4.98m worth of proposals including:

- Create Equity £333k (FY22-24)
- Data Evaluation £554k (over 3 years)
- Thrive Together Fund £3m
- District Heat Network £600k
- Energy Resilience Fund £500k

The designated reserve spend for this year is £860k (2024: £3,315k)

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

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

The Recovery Loan Fund represents the carrying value of the net assets of SIB Loans, a wholly owned subsidiary of SIBF, which was set up to manage this fund.

SOCIAL INVESTMENT BUSINESS FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

21 Funds (continued)

Transfers

	Group 2025 £'000	Group 2024 £'000
Transfers to unrestricted funds:		
- YIF CSO & YIF MMC	1,364	-
Transfers to restricted funds:		
- Energy Resilience Fund	(500)	-
- Community Builders Fund (Recovery Loan Fund)	-	(500)
Transfers to management fees:		
- Communitybuilders Fund, Reach, PTC	167	9
- Community Builders Fund (Recovery Loan Fund)	243	207
- Futurebuilders Fund	263	310
- Energy Resilience Fund	107	-
- Resilience & Recovery Loan Fund	54	99
	<u>1,698</u>	<u>125</u>

Transfer to unrestricted funds (current year)

The transfers from restricted YIF Grant funds to YIF Central Support Offer (CSO) and YIF Modern Methods of Constructions (MMC) funds, represents the direct spend for the programmes paid by TSIB.

Transfer to management fee

Communitybuilders Fund, Reach and PTC represents a transfer of funds as payment of fund management fees.

Community Builders Fund (Recovery Loan Fund) represents a transfer from the restricted SIB Loans funds to TSIB as payment for fund management fees and loan arrangement fees. The prior year transfer of £500k to the Community Builders Fund (Recovery Loan Fund) relates to further investment in SIB Loans by Social Investment Business Foundation.

Futurebuilders Fund represents the payment of the management fee from DCMS to TSIB from returns to the fund.

Energy Resilience Fund represents a transfer of restricted funds from Energy Resilience (SIB) Ltd, as payment for management set up fees and arrangement fees. During 2024.25 £500k was invested from SIBF to Energy Resilience (SIB) Ltd.

Resilience & Recovery Loan Fund represents a transfer from the restricted SIBFM funds to SIBL as payment for fund management fees.

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

SOCIAL INVESTMENT BUSINESS FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

21 Funds (continued)

<i>In the year</i>	Balance 1 April 2024 £'000	Income £'000	Expenditure and provisions £'000	Transfers £'000	Balance 31 March 2025 £'000
Foundation					
Recovery Loan Fund	3,500	-	-	-	3,500
Energy Resilience Fund	-	-	-	500	500
Other investment funds	4,429	37	(27)	(3,169)	1,270
Restricted funds carried forward	7,929	37	(27)	(2,669)	5,270
Designated funds	9,720	-	(360)	(500)	8,860
Unrestricted funds	12,258	508	(830)	3,169	15,105
Total funds carried forward	29,907	545	(1,217)	-	29,235
 <i>Previous year</i>	 Balance 1 April 2023 £'000	 Income £'000	 Expenditure and provisions £'000	 Transfers £'000	 Balance 31 March 2024 £'000
Foundation					
Recovery Loan Fund	3,000	-	-	500	3,500
Other investment funds	4,416	188	(175)	-	4,429
Restricted funds carried forward	7,416	188	(175)	500	7,929
Designated funds	9,720	-	-	-	9,720
Unrestricted funds	13,028	780	(1,050)	(500)	12,258
Total funds carried forward	30,164	968	(1,225)	-	29,907

SOCIAL INVESTMENT BUSINESS FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

22 Analysis of net assets between funds

Group	Fixed Assets		Current assets 2025 £'000	Total liabilities 2025 £'000	Total funds 2025 £'000
	Intangible assets 2025 £'000	Financial investments 2025 £'000			
<i>In year</i>					
Designated Funds	-	6,962	1,217	(1,993)	6,186
Restricted funds	-	19,874	7,790	(12,799)	14,865
Unrestricted funds	2	12,590	6,153	(1,690)	17,055
Total Group	2	39,426	15,160	(16,482)	38,106
	2024 £'000	2024 £'000	2024 £'000	2024 £'000	2024 £'000
<i>Previous year</i>					
Designated Funds	-	3,206	3,315	-	6,521
Restricted funds	-	22,154	9,993	(12,312)	19,835
Unrestricted funds	11	14,607	4,244	(2,860)	16,002
Total Group	11	39,967	17,552	(15,172)	42,358
	2024 £'000	2024 £'000	2024 £'000	2024 £'000	2024 £'000
Foundation					
<i>In year</i>					
Designated funds	-	8,281	579	-	8,860
Restricted funds	-	4,208	1,225	(163)	5,270
Unrestricted funds	-	9,898	5,207	-	15,105
Total Group	-	22,387	7,011	(163)	29,235
	2024 £'000	2024 £'000	2024 £'000	2024 £'000	2024 £'000
<i>Previous year</i>					
Designated funds	-	6,405	3,315	-	9,720
Restricted funds	-	3,695	4,514	(280)	7,929
Unrestricted funds	-	12,149	109	-	12,258
Total Group	-	22,249	7,938	(280)	29,907
	2024 £'000	2024 £'000	2024 £'000	2024 £'000	2024 £'000

SOCIAL INVESTMENT BUSINESS FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

23 Statement of Cash Flows notes:

Reconciliation of net expenditure to net cash used in operating activities:

	Group 2025 £'000	Group 2024 £'000
Net expenditure after taxation	(4,252)	(746)
Taxation	-	130
Net (loss)/gain on investments	(148)	613
Investments income and bank interest received	(2,521)	(2,205)
Amortisation of intangible fixed assets	9	9
Decrease in investment provisions/write offs	492	883
Decrease in associate investment provision	-	(750)
Decrease in debtors	166	301
Increase in creditors	1,311	582
Net cash used in operating activities	<u>(4,943)</u>	<u>(1,183)</u>

Analysis of changes in net funds:

	1 April 2024 £'000	Cashflow £'000	31 March 2025 £'000
Cash at bank and in hand			
Cash	11,566	(1,044)	10,522
Short term deposits	3,888	(1,181)	2,707
Debt due > 1 year			
Amounts owed to fund co-investors	<u>(12,021)</u>	<u>(454)</u>	<u>(12,475)</u>
Total net funds	<u>3,433</u>	<u>(2,679)</u>	<u>754</u>

24 Related party transactions

SIBF is a partner in SASC which includes: The Third Sector Loan Fund LLP, the Community Investment Fund LP and Social and Sustainable Housing LP.

SIBF paid TSIB £100k (2024: £118k) for management of the Communitybuilders Fund, and £444k (2024: £436k) towards operational and premises costs. SIBF paid SIBL £159k (2024: £147k) for grant programme delivery fees during the year. SIBF received £Nil (2024: £nil) in interest and £Nil (2024: £15k) in capital regarding an intercompany loan between SIBF and SIBL.

During the year, SIBF issued an intercompany loan to Thrive Together of £650k. During the year, SIBF received repayments of £70k against the loan issued.

At the balance sheet date, the following amounts were outstanding with related parties:

Related Party	Relationship	Transaction type	2025 £	2024 £
TSIB	Wholly-owned subsidiary	Intercompany Balance	1,632,495	1,865,582
Thrive	Wholly-owned subsidiary	Intercompany Loan	580,000	-

TSIB is a trading subsidiary of the SIBF.

SOCIAL INVESTMENT BUSINESS FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

25 Investment in subsidiaries

Details of the Foundation's subsidiaries at 31 March 2025 are as follows:

Name	Status	Members	% owned	Registered No
The Social Investment Business Limited (TSIB)	Company limited by guarantee	SIBF	100	06490609
Futurebuilders England Limited (FBE)	Company limited by guarantee	SIBL	100	05066676
Social Investment Business FM Limited (SIBFM)	Company limited by shares	SIBF	100	12543106
Social Investment Business Loans Limited (SIB Loans)	Company limited by shares	SIBF	100	13259359
Thrive Together (SIB) Limited	Company limited by shares	SIBF	100	14809311
Energy Resilience (SIB) Limited (Energy)	Company limited by shares	SIBF	100	15362154

Foundation

	2025 £'000	2024 £'000
<i>Investments in subsidiaries</i>		
Opening investment	6,500	3,000
New investment in year	500	3,500
Balance at 31 March	7,000	6,500

All are registered in England and Wales.

All have their registered address at: Canopi, Arc House, 82 Tanner Street, London, England, SE1 3GN.

On 19 December 2023, Energy Resilience (SIB) Limited (company number: 15362154) was incorporated as a wholly owned subsidiary of SIBF.

SOCIAL INVESTMENT BUSINESS FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 202

25 Investment in subsidiaries (continued)

The financial results of the subsidiaries are summarised below:

Profit and Loss Account	TSIB		FBE		SIBFM		SIB Loans		Thrive Together (SIB) Limited		Energy Resilience Limited	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000	2025 £'000	2024 £'000	2025 £'000	2024 £'000	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Income	185,177	66,562	470	542	234	376	951	707	1,929	2,068	514	-
Expenditure	(185,230)	(66,510)	(3,764)	(896)	(234)	(376)	(978)	(676)	(1,904)	(2,068)	(512)	-
Net income/(deficit) before tax	(53)	52	(3,294)	(354)	-	-	(27)	31	25	-	2	-
Corporation tax charge	-	-	(155)	(121)	-	-	7	(8)	6	110	-	-
Net income/(deficit) for the year after tax	(53)	52	(3,449)	(475)	-	-	(20)	23	19	110	2	-

Balance Sheet	TSIB		FBE		SIBFM		SIB Loans		Thrive Together (SIB) Limited		Energy Resilience Limited	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000	2025 £'000	2024 £'000	2025 £'000	2024 £'000	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Fixed assets	2	11	7,989	9,046	2,283	3,770	9,869	9,157	4,374	2,247	105	-
Current assets												
Debtors	1,941	2,148	30	34	7	22	94	64	28	-	3	-
Cash at bank and in hand	8,246	2,283	276	2,640	687	1,232	3,060	1,369	610	1,889	583	-
	10,187	4,431	306	2,674	694	1,254	3,154	1,433	638	1,889	586	-
Current liabilities												
Creditors	(9,453)	(3,653)	(239)	(215)	(2)	(3)	(10)	(57)	(535)	(311)	(55)	-
Net current assets	734	778	67	2,459	692	1,251	3,144	1,376	103	1,578	531	-
Creditors due after more than 1yr	-	-	-	-	(2,975)	(5,021)	(9,500)	(7,000)	(1,458)	(825)	(134)	-
Net assets	736	789	8,056	11,505	-	-	3,513	3,533	3,019	3,000	502	-

SOCIAL INVESTMENT BUSINESS FOUNDATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

26 Guarantors

Locality (formerly The Development Trusts Association) Registered Charity number: 1036460 is the remaining founding member of SIBF. The Directors appointed by the Board are the non-founder Directors. The founder and non-founder Directors are the members of the Foundation. Every member undertakes to contribute a sum not exceeding £1 to the assets of Foundation if it is wound up during his or her membership or within one year afterwards.

27 Amounts disbursed as agent - Group

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

Social Enterprise Investment Fund (SEIF)	2025 £'000	2024 £'000
Balance at 1 April	603	463
Returns to Funder (DoH)	(671)	-
Repayments from Investees	69	140
Balance held at 31 March	1	603
Power to Change (PTC) grant programmes	2025 £'000	2024 £'000
Balance at 1 April	4	294
Funds received from PTC	242	57
Funds disbursed to grantees	(246)	(347)
Balance held at 31 March	-	4