

SOCIAL BUSINESS TRUST

England & Wales · Charity number 1136151

Details

Other names	SCALE-UP
Status	Registered
Legal form	Charitable company
Company number	07242976
Registered	2010-06-02
Register	View on the Charity Commission register

Contact

Address	Social Business Trust Somerset House S71 New Wing Strand London WC2R 1LA
Phone	07733 432970
Email	joanne@socialbusinesstrust.org
Website	www.socialbusinesstrust.org

Activities

Objects: THE OBJECTS OF THE CHARITY (THE OBJECTS) ARE TO PURSUE ANY EXCLUSIVELY CHARITABLE OBJECTS AS THE TRUSTEES IN THEIR ABSOLUTE DISCRETION THINK FIT BY ANY MEANS INCLUDING BUT NOT LIMITED TO PROVIDING GRANTS OR OTHER FORMS OF FINANCIAL ASSISTANCE, MATERIALS OR ASSISTANCE IN KIND.

Activities: The Social Business Trust is a partnership of world class businesses who share a common goal - to use their combined resources and experience to help accelerate the growth of ambitious social enterprises, increasing social impact and making sustainable positive change.

Classification

- **How:** Makes Grants To Organisations, Provides Advocacy/advice/information, Other Charitable Activities
- **What:** General Charitable Purposes
- **Who:** Other Charities Or Voluntary Bodies, The General Public/mankind

Geography

- **Area of benefit:** UNDEFINED. IN PRACTICE, NATIONAL
- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-05-31	£7,102,321	£7,244,586	£513,007	6
2024-05-31	£8,647,904	£8,626,834	£655,272	5
2023-05-31	£6,273,946	£6,501,021	£634,202	6
2022-05-31	£4,317,152	£4,149,761	£861,277	5
2021-05-31	£3,757,336	£3,596,843	£693,886	6

Trustees

Name	Role	Appointed
Larissa Joy	Chair	2018-04-24
Anne Drakeford		2022-09-06
Guy Davies		2013-11-25
Harry Nicholson		2020-09-09
JAMES HADLEY		2019-06-05
Jan-Coos Geesink		2019-06-05
Madeleine Hale		2020-09-09
Michael Desmond Crossan		2018-03-08
PAUL RICHARD ARMSTRONG		
SIMON MILTON		

SOCIAL BUSINESS TRUST

England & Wales - Charity number 1136151

Accounts

Company number: 07242976

Charity number: 1136151

Social Business Trust

Report and Financial Statements

For the year ended 31 May 2025

Reference and administrative details

For the year ended 31 May 2025

Company number	07242976 – incorporated in the United Kingdom	
Charity number	1136151 – registered in England and Wales	
Registered office	S71 New Wing Somerset House, Strand London WC2R 1LA	
Operational address	S71 New Wing Somerset House, Strand London WC2R 1LA	
Trustees	Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows: Larissa Joy Paul Armstrong Michael Crossan Guy Davies Anne Drakeford Jan Coos Geesink James Hadley Madeleine Hale Simon Milton Harry Nicholson Chair Secretary and Vice Chair	
Key management personnel	Joanne Hay Jennifer Coles Alex McAleavy Jasmine Anwar	Chief Executive
Bankers	Royal Bank of Scotland	
Solicitors	Russell Cooke Solicitors 2 Putney Hill, London, SW15 6AB	
Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditor 110 Golden Lane London EC1Y 0TG	

CHAIR'S REPORT

In a year when the sector continues to face significant headwinds, Social Business Trust and its partners are more committed than ever to provide the highest possible levels of support, skills, expertise, strategic insight and financial support to our portfolio of social enterprises and charities to help them thrive.

The challenges our portfolio organisations are tackling include more acute demand for their services, increasing cost pressures, workforce and volunteer challenges and increased pressure on commissioning. Their Boards and leadership teams are rising to these challenges with commitment and resolve, increased ingenuity, creativity and resilience. They, and the team at SBT, continue to be driven and inspired by the impact of their work with their beneficiaries. It is during times such as these that the long-term nature of the relationships between SBT and its portfolio come into their own. We are privileged to partner with such an inspiring group of portfolio organisations.

SBT is delighted to have welcomed three new organisations into its portfolio this year – AllChild (formerly West London Zone); parkrun and upReach. Each brings unique and complementary strengths and potential to grow and expand their impact.

In 2025, SBT provided support to a total of 25 organisations, a significant increase on any previous year. We are very privileged to work with such an inspiring group and hope to continue to work with further, new social enterprises in the coming year whilst continuing to support our existing organisations.

This year has seen SBT further evolve its model for long-term support: beginning to embed further digital and AI capability, expanding leadership and talent development, building communities of practice and peer networks, all of which help maintain our ambition for a high-performing, values-driven approach. Looking forward, we hope to significantly increase our support to our portfolio in the realm of digital and AI as we know that there is opportunity for our portfolio organisations to refine and develop their offerings and broaden the ways in which they support their beneficiaries.

The year in review has seen another impressive number both of new volunteers engaged and value of hours of professional skills volunteering. I would like to pay particular tribute to Dr J Hay, SBT's CEO, and her team for their unflinching work and dedication in supporting our portfolio and leading SBT. Our board of trustees has continued to provide valuable insight and excellent support. We are extremely fortunate to benefit from a highly qualified Investment Committee, drawn from each of our long-term corporate partners. SBT remains most grateful to its business partners Bain & Co, Clifford Chance, EY, Financial Times, Permira, Permira Credit, Schroders and Thompson Reuters for their expertise and support.

Report of the trustees – Chair’s Report

For the year ended 31 May 2025

Next year will mark 15 years since Social Business Trust was founded. It was born with the vision that great things happen when business and the social enterprise and charity sectors find effective ways of working together more closely. We look forward in SBT’s 15th year, to celebrating the work of all of our partners and collaborators and to reaffirming our belief in an enduring partnership approach to connecting business expertise and support with social purpose to tackle inequality at scale.

Larissa Joy OBE
Chair

CEO'S REPORT

In a year marked by challenge and change, one thing has remained constant: the extraordinary power of purposeful partnership.

At Social Business Trust, we exist to help ambitious social enterprises grow because we believe that practical, bold solutions in education, employment and health & wellbeing are key to tackling inequality and unlocking opportunity. Everything we do is grounded in collaboration, guided by trust, and driven by a shared commitment to lasting social impact.

This year, we were proud to support 25 outstanding social enterprises making a difference in communities across the UK. From classrooms to workplaces to healthy living, their work brings our mission to life in real and powerful ways.

We also welcomed three exceptional organisations to our portfolio: AllChild, parkrun and upReach. Each brings fresh energy, innovation and deep insight into the challenges we aim to address, further strengthening the collective impact of our network.

The scale of support delivered this year is a testament to the generosity and commitment of our business partners and professional community. Together, we provided over 2,200 days of expert, hands-on support from over 400 professionals bringing their skills and insight to where they were needed most; add to that targeted grant funding and strategic in-kind contributions and the total value of support delivered this year exceeded £7 million.

But the real value lies in what this support unlocked: smarter systems, more resilient teams, braver decisions and stronger leadership, enabling our social enterprises to meet rising demand, navigate uncertainty, and continue delivering for the people who rely on them.

Our support offer has continued to evolve. Alongside high-impact projects and expert advice, we continue to build our talent development programme, increase sales and marketing support, and grow our peer learning groups. Embedding digital and AI capabilities across our portfolio remains a mainstay. All of this is made possible by our expert Advisory Boards working with SBTs high-performing team – aligned, ambitious, and constantly learning.

We know that the sector is under strain. Charities and social enterprises are facing complex challenges: funding uncertainty, surging demand, workforce pressures, and the need to rapidly build digital and operational capabilities. But we also know that they are meeting these challenges with resilience, innovation, and a deep commitment to the communities they serve.

At SBT, we will continue to stand beside our portfolio, offering practical support, trusted partnerships, and the belief that by working together, we can achieve more than any of us could alone.

Social Business Trust

Report of the trustees – CEO's Report

For the year ended 31 May 2025

Thank you to everyone who is part of this mission: trustees, partners, supporters, and above all, the social enterprises who inspire us every day.

Joanne Hay
Chief Executive

Key Performance Indicators

KPI	Explanation	FY25 Performance
Total cash income (£s)	This measures the financial support that we have received during the year and determines our ability to fund core costs and to make cash grants to social enterprises.	Total cash income in the year to 31 May 2025 was £693k (FY24: £812k, including interest income). Agreements were renewed for two business partners during the year. The reduction in cash income in FY25 was due to the end of additional grant funding received from one business partner over the prior three years. We continue to seek additional sources of cash income as this will enable us to expand our activities.
Expenditure on core costs (£s)	This measure determines how much we spend on SBT's core operations. We are looking to optimise rather than minimise this measure, as inadequate investment in core costs is a false economy.	Total expenditure on core costs in FY25 was £513k (FY24: £516k). Staffing was maintained at prior year levels and non-staff costs were prudently managed to maximise the amount of cash available for grants to social enterprises.
In-kind support drawn down from our business partners (£s)	This amount measures both the value of the expertise provided without charge to our investees, covering investment projects and a wide range of other support, and to SBT, and the extent of our ability to engage with our business partners to provide their expert volunteers.	In FY25, £6,409k (FY24 £7,836k) of in-kind support was provided by SBT's business partners, a decline from the record high of FY24 but 18% above FY23 thus marking another year of significant activity. All members of the Portfolio received expert support from SBT's business partners during the year, to help with specific functional areas, training and mentoring – as did the members of the SBT Development Network and social enterprises new to SBT in the Design stage. Of the total value of in-kind services provided in FY25, 98% was provided directly to our social enterprises (98% in FY24).
Number of cash investments made	Although SBT's investment criteria are flexible, we would normally expect to restrict our cash investments to support social enterprises that want to work with us to achieve 'transformation'. The number of cash investments made in a period should reflect this. This	In FY25, SBT's Investment Committee approved four proposals to invest cash grants in social enterprises: one investment was made as that social enterprise joined SBT's Portfolio from Design; two were made to existing members of SBT's Portfolio consistent with the strategy of creating longer, more impactful relationships; one was made to a social enterprise in the Design

Report of the trustees – CEO's Report

For the year ended 31 May 2025

KPI	Explanation	FY25 Performance
	measure also indicates the effectiveness of our processes for identifying and processing suitable applicants.	stage. In FY24, the Investment Committee also approved four new cash investments.
Feedback from our key stakeholders	SBT regards its business partners, social enterprises (in Portfolio, Design and the Development Network) and staff as its key stakeholders.	We obtain regular feedback from our business partners, social enterprises and staff. In most cases, this is extremely positive but we also welcome constructive criticism as this enables us to improve our processes. During the year, we collected feedback from volunteers on how volunteering had impacted their professional development. We achieved a NPS (net promoter score) of +85 from investees.

Financial overview

Total cash incoming resources for FY25 year were £693k (FY24: £812k including interest income). After core costs of £513k (FY24: £516k), cash payments to investee social enterprises of £323k (FY24: £274k), and a reduction in working capital of £23k (FY24: increase of £22k), year-end cash balances decreased by £117k (FY24: increase of £2k) to £510k at 31 May 2025. These, together with future cash donations from our business partners, will enable us to meet our cash commitments to existing investees (valued at £270k at 31 May 2025) and make additional investments during FY26.

In addition to their cash donations, business advice with an estimated market value of £6,409k (FY24: £7,836k) was drawn down from our business partners and provided to SBT and its investees. An analysis of our total FY25 core and in-kind expenditure of £7,245k shows that £7,048k or 97% of our resources (FY24: 98%) was focused on our social enterprises. The balance was shared evenly between raising funds and on governance – with the latter being broadly defined to include strategic management of the charity, risk management, compliance with regulations and public reporting.

Reserves policy

Our reserves policy is risk based and reflects the trustees' belief that, after taking account of existing cash commitments to portfolio companies, the charity should maintain a minimum level of unrestricted funds equivalent to approximately three months' core costs as this would enable SBT to manage an unexpected disaster that would threaten our ability to continue as a going concern. At activity levels forecast for FY26, this implies the need to maintain a minimum level of funds of approximately £145k. After deducting known cash commitments to portfolio companies, total unrestricted funds at 31 May 2025 were approximately £240k. The excess over the minimum targeted level is regarded by the trustees as acceptable.

Report of the trustees

For the year ended 31 May 2025

The trustees present their report and the audited financial statements for the year ended 31 May 2025.

For clarity and in recognition of their important roles in the governance and management of the charity, the Chair and Chief Executive have presented separate reports. These reports (for which the trustees take full responsibility) should be read as part of this report.

The reference and administrative information set out on page 1 also forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Structure and objects

The organisation is a charitable company limited by guarantee, incorporated as Scale-Up on 5 May 2010 and registered as a charity on 2 June 2010. The company's name was changed to Social Business Trust on 11 November 2010.

The company was established under a memorandum of association, which established the objects and powers of the charitable company and is governed under its articles of association.

The objects of the charity, as stated in its governing documents, are to pursue any exclusively charitable objects as the trustees in their absolute discretion think fit by any means including but not limited to providing grants or other forms of financial assistance, materials or assistance in kind. The management and governance structures in place are designed to enable this to happen.

Aims, objectives and activities

Social Business Trust ("SBT") is a partnership of leading businesses that share a common goal – to use our combined resources and experience to ensure the sustainability and help accelerate the growth of ambitious social enterprises, increasing social impact and making sustainable, positive change.

Together, SBT's business partners invest in UK social enterprises and charities with a clear social mission, a robust business model and good leadership. Our investment consists of a combination of cash grants and expert resources provided free of charge. Initially, investees are invited to join our SBT Design Programme during which we add value by working through a structured due diligence programme designed to ensure that the fundamentals for growth are in place. Subsequently, if appropriate, we contribute to projects that the investee management team "owns" and which they regard as critical to their ability to scale-up the impact of their organisation and/or to enhance their sustainability.

In all cases, we work collaboratively with management but, in accordance with best business practice, we always insist on accountability, transparency and a focus on results. Consequently, our

Report of the trustees

For the year ended 31 May 2025

support is usually provided in instalments, with each instalment being conditional on the achievement of certain milestones. We monitor the social impact of our investees and attempt to estimate the social return on our investment in terms of the key performance indicators that our investees consider meaningful.

Trustees

Trustees with appropriate functional and business skills have been appointed from SBT's business partners and elsewhere. They meet as a Board at least four times a year. Trustees automatically become members of the charity. With the exception of the Chair, all trustees serve for a three-year term, after which they are eligible for re-appointment on the recommendation of the Board on such terms and for such duration as the Board may determine.

As part of their induction, the Chair and Chief Executive each hold one-to-one meetings with new trustees to ensure that they are fully versed in SBT's objectives and procedures. Updates on developments in the social sector are provided at each trustees' meeting and additional training is available to trustees on request. The names of the trustees who held office during the year are set out on page 1.

Related party transactions and conflicts of interest

Trustees are required to disclose to the Board any direct or indirect interest in a proposed or existing transaction and any other circumstances that might give rise to a conflict or potential conflict. When any such actual or potential conflicts are identified, the trustee in question plays no part in the decision on whether or not to enter into the transaction.

Transactions in which a trustee has or may have a direct or indirect interest are referred to as related party transactions. Related party transactions involving trustees are fully disclosed in the financial statements (see Note 13).

Public benefit

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set. To ensure that SBT is acting in accordance with its objects, investments are restricted to registered charities or to other not-for-profit entities where, in the opinion of the trustees, any private benefit is incidental and insignificant.

Investment Committee

The trustees have set up an Investment Committee to act as an advisory sub-committee of the Board. The Investment Committee includes one senior representative of each of SBT's business partners. Its purpose is to consider detailed investment recommendations put forward by SBT's core team and, if appropriate, recommend them to the Board for approval. Meetings of the Investment Committee take place at least four times a year.

Report of the trustees

For the year ended 31 May 2025

The current members of the Investment Committee are:

Larissa Joy (Chair)

Gemma Cotton (Bain & Company)

Alastair Windass (Clifford Chance)

Andrew Walton (EY)

David Hirschmann (Permira Credit)

Fiona Spooner (The FT)

Madeleine Cobb (Schroders)

Daniel Fox (Thomson Reuters)

Fundraising

The charity is committed to observing all relevant fundraising regulations and codes. During the year, there was no non-compliance of these regulations and codes and the charity received no complaints relating to its fundraising practices.

Volunteers

SBT's trustees, Investment Committee members and core team are extremely grateful to the many people from SBT's business partners and other organisations who have given us and our investees the benefit of their experience and expertise during the year. SBT's accounting policies for valuing the contributions of these volunteers is set out in Note 1 to the financial statements.

Risk management

Risk exists when there is uncertainty surrounding events and their outcomes that may have a significant impact on SBT's ability to:

- Achieve its aims
- Satisfy the expectations of its stakeholders
- Operate efficiently

Risk management is the responsibility of the Board and, in recognition of this, a schedule summarising principal risks together with mitigating factors and appropriate risk management procedures is formally reviewed by the Board annually. In the Board's opinion, SBT's two most significant risks can be summarised as:

- The inability to attract or retain enough key business partners to continue to provide SBT and its investees with the level of support required to achieve SBT's aims
- The unavailability or loss of key SBT team members

To a significant extent, these risks are outside the control of the Board but mitigation strategies include a relentless focus on stakeholder satisfaction, increased investment in fundraising and appropriate succession planning.

Going concern

The trustees consider that, having regard to the level of reserves and to the continuing support of SBT's business partners, there are no material uncertainties about the charitable company's ability to continue as a going concern.

Remuneration policy for key management personnel

The trustees of SBT recognise that the charity will not achieve its ambitious goals unless we are able to attract and retain a core team of key management personnel who have the experience, enthusiasm and ability to provide support and guidance to both its investee companies and to high calibre personnel from its business partners. Consequently, the ability to offer a compelling value proposition to all staff is regarded as a critical success factor.

In common with other small, entrepreneurial organisations in the charitable sector, SBT's value proposition to staff includes flexible working, supportive teamwork and significant job satisfaction from the social impact that we are helping to generate. However, remuneration is also important, and, for this element of the overall reward package, our policy is to set pay and benefits at levels that are competitive for the sector and which recognise an individual's abilities, responsibilities and experience.

The remuneration of key management personnel is summarised in Note 6 of the financial statements. On a full time, equivalent basis, SBT's highest paid employee is the Chief Executive and, in the year to 31 May 2025, her salary was approximately 2.1 times the average full time equivalent salary paid to other employees.

Financial review

The Chief Executive's report, which is set out on pages [4 to 7](#), includes a commentary on SBT's performance in the year to 31 May 2025 and a financial overview.

Plans for the future

As we look to 2025/26, we do so with confidence in the strength and resilience of the SBT model. Our mission remains clear: to connect business expertise with social purpose, tackling inequality at scale in education, employment, and health & wellbeing.

The year ahead will see us build on our distinctive blend of time, talent, funding, and strategic insight, deepening our impact for charities and social enterprises facing rising demand and complex challenges. We will continue to evolve our offer, embedding digital and AI, expanding leadership development, and fostering strong peer networks.

To meet unprecedented demand, we plan to grow our income, strengthen our core team, and increase grant funding, enabling us to support more organisations.

Statement of responsibilities of the trustees

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

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

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgments and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation

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

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 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.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantors at 31 May 2025 was 10 (2024: 10). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Social Business Trust

Report of the trustees

For the year ended 31 May 2025

Auditor

Sayer Vincent LLP was re-appointed as the company's auditor during the period and has expressed its willingness to continue in that capacity.

The trustees' annual report which includes the Chair's and Chief Executive's report was approved by the trustees on 9th September 2025 and signed on their behalf by:

Harry Nicholson – Treasurer

Opinion

We have audited the financial statements of Social Business Trust (the 'charitable company') for the year ended 31 May 2025 which comprise the statement of financial activities, balance sheet, statement of cash flows 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 charitable company's affairs as at 31 May 2025 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 Social Business Trust'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 trustees' 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' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;

Independent auditor's report

To the members of

Social Business Trust

- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Independent auditor's report

To the members of

Social Business Trust

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.

Jonathan Coyle (Senior statutory auditor)

Date: 22 September 2025

for and on behalf of Sayer Vincent LLP, Statutory Auditor

110 Golden Lane, LONDON, EC1Y 0TG

Social Business Trust

Statement of Financial Activities *(incorporating an Income and Expenditure Account)*

For the year ended 31 May 2025

		Unrestricted £	Restricted £	2025 Total £	Unrestricted £	Restricted £	2024 Total £
	Note						
Income from:							
Donations	2	7,051,614	30,000	7,081,614	8,639,431	–	8,639,431
Bank interest and sundry income		20,707	–	20,707	8,473	–	8,473
Total income		7,072,321	30,000	7,102,321	8,647,904	–	8,647,904
Expenditure on:							
Raising funds		112,060	–	112,060	140,069	–	140,069
Charitable activities							
Investment in projects		7,132,526	–	7,132,526	8,484,807	1,958	8,486,765
Total expenditure	3	7,244,586	–	7,244,586	8,624,876	1,958	8,626,834
Net income for the year and net movement in funds	5	(172,265)	30,000	(142,265)	23,028	(1,958)	21,070
Reconciliation of funds							
Total funds brought forward		650,092	5,180	655,272	627,064	7,138	634,202
Total funds carried forward		477,827	35,180	513,007	650,092	5,180	655,272

Movements in restricted funds are detailed in note 11

All of the above results are derived from continuing activities. There were no other recognised gains or losses in either year other than those stated above.

Social Business Trust

Balance sheet

Company no. 07242976

31 May 2025

	Note	2025 £	2024 £
Fixed assets			
Tangible fixed assets	8	1,603	3,393
Current assets			
Debtors	9	23,942	49,247
Short term deposits		151,767	91,787
Cash at bank and in hand		358,594	535,959
		<u>534,303</u>	<u>676,993</u>
Liabilities			
Creditors: amounts due within one year	10	(22,899)	(25,114)
Net current assets		<u>511,404</u>	<u>651,879</u>
Net assets		<u>513,007</u>	<u>655,272</u>
The funds of the charity			
Unrestricted general funds		477,827	650,092
Restricted funds	11	35,180	5,180
Total charity funds		<u>513,007</u>	<u>655,272</u>

Approved by the trustees on 9th September 2025 and signed on their behalf by:

Harry Nicholson
Trustee

Social Business Trust

Statement of Cash Flows

For the year ended 31 May 2025

	2025 Total £	2024 Total £
Net income for the year	(142,265)	21,070
Depreciation	5,009	4,849
Loss on disposal of fixed assets	–	–
Decrease/(increase) in debtors	25,305	(30,462)
Increase/(decrease) in creditors	(2,215)	8,890
Net cash provided by operating activities	(114,166)	4,347
Cash flows from investing activities:		
Purchase of fixed assets	(3,219)	(2,274)
Net cash used in investing activities	(3,219)	(2,274)
Change in cash and cash equivalents in the year	(117,385)	2,073
Cash and cash equivalents at the beginning of the year	627,746	625,673
Cash and cash equivalents at the end of the year	510,361	627,746

Analysis of cash and cash equivalents

	At 1 June 2024 £	Cash flows £	At 31 May 2025 £
Cash at bank and in hand	535,959	(177,365)	358,594
Short term deposits	91,787	59,980	151,767
Total	627,746	(117,385)	510,361

1 Accounting policies

a) Statutory information

Social Business Trust ("SBT") is a charitable company limited by guarantee and incorporated in the United Kingdom.

The registered office address is 110 Golden Lane, London, EC1Y 0TG.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. 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 nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that, having regard to the level of reserves and to the continuing support of SBT's business partners, there are no material uncertainties about the charitable company's ability to continue as a going concern. Further details can be found in the trustees' annual report.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period. Similarly, the trustees do not believe that they have made any key judgements which have had a significant effect on the accounts.

e) Income

Donations consist of cash donations and services provided "in-kind" (i.e. without charge) to SBT or its investees by SBT's business partners. Cash donations are included in full in the statement of financial activities when receivable and, when appropriate, include Gift Aid receivable from HMRC. In-kind donations are recognised as income when the services in question are provided and are valued by the trustees of SBT at a prudent estimate of the market value of those services.

1 Accounting policies (continued)

f) Expenditure and irrecoverable VAT

Expenditure is recognised in the period in which it is incurred and includes attributable VAT as this cannot be recovered.

SBT has the following three core processes:

1. Raising funds

Associated activities include profile raising, identifying potential business partners and/or individual donors, enlisting support from and managing relationships with those partners/donors and organising fundraising events.

2. Investment in projects

Associated activities include market research, screening applicants, detailed due diligence, project definition, project delivery and monitoring progress.

3. Governance

Associated activities include strategic management of the charity, risk management, internal control, administration, compliance with regulations and public reporting.

g) Allocation of support costs

Cash grants and the value of in-kind services provided by SBT's core team and its business partners to other organisations are allocated directly to investment in projects. All other costs are initially allocated to support costs and then re-allocated to SBT's three core processes – either directly or on the basis of the most appropriate cost driver. In the case of staff costs, the cost driver is the amount of time spent by an individual team member on a particular process. For all other indirect costs, re-allocation is based on the following percentages which themselves are derived from the trustees' estimate of the percentage of total time spent by the core team on each of the three core processes:

Raising funds	11.6%
Investment in projects	72.1%
Governance	16.3%

Governance costs are then reallocated to the other two processes in proportion to their total direct and indirect costs.

h) Grants payable

Cash grants payable to other organisations are charged to the statement of financial activities when conditions have been met for payment. Where grants are payable by instalments, each instalment is conditional on the organisation in question meeting SBT's requirements. Expenditure is only recognised when these conditions are met. Where conditions have not yet been met, outstanding payments are shown as future commitments.

1 Accounting policies (continued)

i) Donations of gifts, services and facilities

Services provided without charge by SBT's business partners to SBT or to other organisations are recognised as resources expended (and as voluntary income) when the services are provided and are valued by the trustees of SBT at a prudent estimate of the market value of those services. Additional services that SBT has agreed to provide to other organisations but which have not yet been provided are valued on the same basis and shown as future commitments.

Services provided without charge to SBT by trustees, Investment Committee members, other individual volunteers and external organisations (other than SBT's business partners) are not recognised as resources expended (or as voluntary income) but are acknowledged in the trustees' report.

j) Tangible fixed assets

Depreciation is provided at a rate calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates currently in use are as follows:

Office equipment	3 years
------------------	---------

Items of equipment are capitalised when the purchase price exceeds £250. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

k) Operating leases

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the Statement of Financial Activities on a straight line basis over the term of the lease.

l) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

m) Pensions

Contributions payable by SBT to the company's defined contribution pension scheme are recognised in the period to which they relate.

n) Fund accounting

Unrestricted funds are derived from donations and other incoming resources received or generated for general charitable purposes. Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure incurred in connection with these purposes is charged to the relevant fund together, when appropriate, with a fair allocation of management and support costs.

o) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

p) Cash at bank and in hand

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

Social Business Trust

Notes to the financial statements

For the year ended 31 May 2025

1 Accounting policies (continued)

q) Short term

Short term deposits includes cash balances that are invested in accounts with a maturity date of between 3 and 12 months.

r) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

2 Donations

	2025 Total £	2024 Total £
Cash donations from business partners	671,100	802,500
In-kind services provided by business partners	6,409,014	7,836,121
Cash donations from individuals and corporate entities	1,500	810
Total	<u>7,081,614</u>	<u>8,639,431</u>

In 2025, £30,000 of cash donations were restricted to the Catalyst Fund. In 2024, all donations were unrestricted.

Social Business Trust

Notes to the financial statements

For the year ended 31 May 2025

3a Total expenditure (current year)

	Costs of raising funds £	Investment in projects £	Governance Costs £	Support Costs £	2025 Total £	2024 Total £
Cash paid to support social enterprises	-	322,500	-	-	322,500	274,230
In-kind services provided	-	6,248,938	-	160,076	6,409,014	7,836,121
	-	6,571,438	-	160,076	6,731,514	8,110,351
Staff and recruitment costs (Note 6)	-	-	-	400,846	400,846	395,340
Property costs	-	-	-	51,946	51,946	49,979
Marketing and fundraising costs	-	-	-	8,133	8,133	11,118
Training	-	-	-	481	481	3,337
Subscriptions	-	-	-	3,257	3,257	2,546
Travel, subsistence and entertainment	-	-	-	3,393	3,393	2,549
Phone costs	-	-	-	3,022	3,022	2,627
Depreciation	-	-	-	5,009	5,009	4,848
Other office costs	-	-	-	6,163	6,163	13,346
Insurance	-	-	-	8,485	8,485	7,863
Professional fees	-	-	-	22,337	22,337	22,930
	-	6,571,438	-	673,148	7,244,586	8,626,834
Support Costs	95,271	477,024	100,853	(673,148)	-	-
Governance costs	16,789	84,064	(100,853)	-	-	-
Total expenditure 2025	112,060	7,132,526	-	-	7,244,586	
Total expenditure 2024	140,069	8,486,765	-	-		8,626,834

Governance costs include in-kind services provided by business partners, relevant staff costs, fees payable to the charity's auditors and an appropriate share of overheads.

Social Business Trust

Notes to the financial statements

For the year ended 31 May 2025

3b Total expenditure (prior year)

	Costs of raising funds £	Investment in projects £	Governance Costs £	Support Costs £	2024 Total £
Cash paid to support social enterprises	–	274,230	–	–	274,230
In-kind services provided	–	7,702,561	–	133,560	7,836,121
	–	7,976,791	–	133,560	8,110,351
Staff and recruitment costs (Note 6)	–	–	–	395,340	395,340
Property costs	–	–	–	49,979	49,979
Marketing and fundraising costs	–	–	–	11,118	11,118
Training	–	–	–	3,337	3,337
Subscriptions	–	–	–	2,546	2,546
Travel, subsistence and entertainment	–	–	–	2,549	2,549
Phone costs	–	–	–	2,627	2,627
Depreciation	–	–	–	4,848	4,848
Other office costs	–	–	–	13,346	13,346
Insurance	–	–	–	7,863	7,863
Professional fees	–	–	–	22,930	22,930
	–	7,976,791	–	650,043	8,626,834
Support Costs	121,331	441,750	86,962	(650,043)	–
Governance costs	18,738	68,224	(86,962)	–	–
Total expenditure 2024	140,069	8,486,765	–	–	8,626,834

4a Investment in projects

An analysis of cash payments and in-kind services provided during the year is set out below, by status at end of FY24:

	2025 £	2024 £
Portfolio		
AllChild	318,775	28,270
Catch22	192,206	1,587,693
Challenge Partners	274,214	98,960
Hertfordshire Independent Living Service	756,912	104,833
Hestia	236,375	1,032,598
Jamie's Farm	455,384	62,232
London Early Years Foundation	252,468	59,338
parkrun	145,872	471,479
RetailTRUST	1,316,732	346,539
SALUK	359,471	743,671
The Brilliant Club	1,280,223	455,211
upReach	124,737	7,771
Development Network		
Big Issue Recruit	39,416	–
Bikeworks	48,937	1,122,745
Career Ready	53,402	75,914
City Harvest	51,205	68,894
DFN Project Search	96,671	115,040
Magic Breakfast	40,109	–
Smart Works	40,679	18,393
The Change Foundation	49,526	–
Thrive at five	41,101	–
Twining	281,242	273,408
Design		
Bloomsbury Football Foundation	42,131	–
Soil Association	46,030	–
	6,543,818	6,672,989
Digital	–	1,958
Brightside	–	1,041
Do it Now Now	–	6,168
LEAP	–	90,871
Mind	27,620	1,189,260
Shakespeare Schools	–	132
The Fore	–	14,372
	6,571,438	7,976,791

In FY25 AllChild, parkrun and upReach moved from Design to Portfolio; Big Issue Recruit, Magic Breakfast, The Change Foundation and Thrive at five joined the Development Network; Bloomsbury Football Foundation and the Soil Association joined Design; Do it Now Now left the Development Network; Mind left Design.

Notes to the financial statements

For the year ended 31 May 2025

4b Investment in projects (continued)

At 31 May, the estimated value of future commitments to provide cash grants and additional services was as follows:

	2025 £	2024 £
Within one year	820,000	1,675,000
Between one and two years	20,000	105,000
Total	840,000	1,780,000

The reduction in future commitments in FY25 is explained by a change in process in the year, whereby the approval for most in-kind services moved from individual project to a more holistic, multi-year framework that is not explicitly quantified.

5 Net movement in funds for the period

This is stated after charging:	2025 £	2024 £
Depreciation	5,009	4,848
Rent/workstation licence fees	46,853	47,202
Auditor's remuneration (excluding VAT):		
Audit	10,100	9,655
Trustees' remuneration	NIL	NIL
Trustees' expenses	NIL	NIL

6 Staff costs and numbers

Staff costs were as follows:	2025 £	2024 £
Salaries and fees payable	351,404	339,693
Social security costs	25,199	37,700
Pension contributions	17,041	16,199
Recruitment costs	7,200	1,748
	400,844	395,340

The following number of employees received employee benefits in excess of £60,000 (excluding employer national insurance and employer pension costs) during the year between:

	2025 No.	2024 No.
£60,000 – £69,999	1	1
£70,000 – £79,999	1	–
£110,000 – £119,999	1	1

The total employee benefits (including employer national insurance and employer pension contributions) of the key management personnel were £393,644 (2024: £393,592).

At 31 May 2025, SBT's core team consisted of 7.3 (2024: 7.1) full time equivalents, being 6 (2024: 5) employees and 2 (2024: 2) secondees from EY. The average weekly number of employees (full-time equivalents) during the year was 5.3 (2024: 5.4).

7 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

8 Tangible fixed assets

	Office equipment £	Total £
Cost		
At start of the year	22,416	22,416
Additions in year	3,219	3,219
Disposals in year	–	–
At the end of the year	25,635	25,635
Depreciation		
At start of the year	19,023	19,023
Charge for the year	5,009	5,009
Disposals in year	–	–
At the end of the year	24,032	24,032
Net book value		
At the end of the year	1,603	1,603
At the start of the year	3,393	3,393

All of the above assets are used for charitable purposes.

9 Debtors

	2025 £	2024 £
Prepayments	9,075	10,671
Other debtors	3,357	–
Rent deposit	11,510	11,510
Accrued income	–	27,066
	23,942	49,247

10 Creditors: amounts due within one year

	2025 £	2024 £
Taxation and social security	8,200	8,684
Other creditors	14,699	16,430
	22,899	25,114

Social Business Trust

Notes to the financial statements

For the year ended 31 May 2025

11a Restricted funds – current year

	At 1 June 2024 £	Income £	Expenditure £	At 31 May 2025 £
Catalyst Fund	–	30,000	–	30,000
HBS Fund	5,180	–	–	5,180
Total restricted funds	5,180	30,000	–	35,180

The Catalyst Fund was established in 2025 following two cash donations; it is restricted to direct cash grants to SBT's Portfolio; this fund will be fully deployed in 2026.

The HBS Fund was established by the charity's co-founder and former Chair, Sir Damon Buffini. Its purpose is to enable senior executives from SBT's investee companies to attend a course for social entrepreneurs at Harvard Business School.

Total restricted funds at the year end (£35,180) were represented by cash. All of the charity's other assets and liabilities at 31 May 2025 represented unrestricted funds.

11b Restricted funds – prior year

	At 1 June 2023 £	Income £	Expenditure £	At 31 May 2024 £
Digital Impact fund	1,958	–	(1,958)	–
HBS Fund	5,180	–	–	5,180
Total restricted funds	7,138	–	(1,958)	5,180

12 Property commitments

Under its current arrangements at Somerset House, SBT rents a number of desks on a rolling contract with one month's notice.

13 Related party transactions

As shown in Note 4, during the year, cash and in-kind services with values of £1,316,732 (FY24 £346,539), £41,101 (FY24 £0) and £0 (FY24 £132) were provided to RetailTRUST, Thrive at five and Shakespeare Schools ("Coram SSF") respectively. Paul Armstrong is a trustee of RetailTRUST, Larissa Joy is a trustee of Thrive at five, and both James Hadley and Guy Davies are trustees of Coram SSF.

In accordance with SBT's normal procedures, having declared their interests, the trustees concerned took no part in the decisions to make the investments in the investee companies in which they were involved. In all cases, the remaining trustees were satisfied that the associated expenditure was appropriate and in the best interests of SBT.

14 Legal status of the charity

SBT is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

SOCIAL BUSINESS TRUST

England & Wales - Charity number 1136151

Accounts

Company number: 07242976

Charity number: 1136151

Social Business Trust

Report and Financial Statements

For the year ended 31 May 2024

Reference and administrative details

For the year ended 31 May 2024

Company number 07242976 – incorporated in the United Kingdom

Charity number 1136151 – registered in England and Wales

Registered office 110 Golden Lane
London EC1Y 0TG

Operational address Room S9/10, 2nd Floor, West Wing
Somerset House
London WC2R 1LA

Trustees Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Larissa Joy	Chair
Paul Armstrong	Secretary and Vice Chair
Michael Crossan	
Guy Davies	
Anne Drakeford	
Jan Coos Geesink	
James Hadley	
Madeleine Hale	
Simon Milton	
Harry Nicholson	
Kim Rihal	Resigned on 13 May 2024

Key management personnel	Joanne Hay	Chief Executive
	Jennifer Coles	
	Alex McAleavy	
	Jasmine Anwar	

Bankers Royal Bank of Scotland

Solicitors Russell Cooke Solicitors
2 Putney Hill,
London, SW15 6AB

Auditor Sayer Vincent LLP
Chartered Accountants and Statutory Auditor
110 Golden Lane
London EC1Y 0TG

CHAIR'S REPORT

Social Business Trust continues to go from strength to strength with the valued support of its long term partners and volunteers. The year under review has been an exceptional year in terms of the the engagement of SBT's partners, the number of volunteers deployed and the level of their commitment. Over £8.5 million of in-kind and cash grant support has been drawn down from our partners for the benefit of the portfolio to support the delivery of ambitious goals. SBT is grateful that Thompson Reuters, Schrodgers – and Permira early in the current financial year – have all taken the opportunity to renew and recharge their support of SBT. It is particularly encouraging that in all cases this is on a multi-year basis, helping SBT in turn to plan strategically and carefully the long-term support it provides to its portfolio.

We are delighted to have welcomed Hestia, a new social enterprise into the portfolio and we look forward to working closely with them in the coming years. SBT's sustained focus continues to be on education, employment and health and wellbeing, and this year has seen SBT begin to develop in greater depth its expertise in the environment and natural world with the addition of Jamie's Farm into the portfolio.

SBT is privileged to serve a strong portfolio of social enterprises who make it their mission and daily work to make a positive impact on the lives of their beneficiaries. The work of our portfolio in supporting their beneficiaries continues to be inspiring and impressive in equal measure. With the civil society, charity and social enterprise sectors under ever-increasing pressure, SBT sees at first hand the significant benefits of long-term partnerships built on strong foundations of trust. SBT, itself a charity, has been able to deepen and strengthen its support for its portfolio of social enterprises but as demand for SBT's support continues to rise, we recognise there is more to do and that resources are under greater pressure.

We are extraordinarily fortunate to have such a committed, positive and supportive group of partners in Bain & Company, Clifford Chance, EY, the Financial Times Group, Permira, Permira Credit, Schrodgers and Thompson Reuters. I would like to thank all our partners and all their volunteers who contribute their professional skills to SBT and its portfolio – in particular the senior representatives from each organisation who make up the SBT Investment Committee and the five SBT Advisory Boards – for their energy and commitment this year.

SBT's CEO, Dr Joanne Hay, has developed and nurtured a small, strong and talented team at the heart of SBT who share the organisation's mission to help social enterprises to grow their impact, and the work that SBT does is shaped, improved and developed under Joanne's leadership. Particular focus this year has been on measuring and communicating the impact of SBT's work and collecting regular feedback from portfolio CEOs around their – and their organisations' – dynamic demands and needs.

SBT is very fortunate to have a board of trustees who show real commitment and dedication to SBT. As a highly experienced group of individuals with a wide range of skills, they are part of what makes

Report of the trustees – Chair's Report

For the year ended 31 May 2024

SBT such a special organisation and I want to thank them for all their sustained support for SBT. Trustee Kim Rihal stepped down from the SBT Board in May 2024 and the trustees would like to record their thanks to Kim for her service.

SBT will continue to tackle social inequity by helping to leverage the power of social enterprises and charities that play a crucial role in society. We look forward to being able to help our current social enterprises and potential new entrants into our portfolio in the coming year to increase their impact, resilience and outcomes for their own beneficiaries.

Larissa Joy OBE
Chair

CEO'S REPORT

As we reflect on this past year, marked by a tough economic environment and in the summer a change of government, the challenges facing social enterprises have never been greater. This also makes our mission to address society's most pressing challenges by partnering with ambitious charities and social enterprises more critical than ever.

Our charity partners are delivering essential services in some of the most underserved communities in the UK. In a year characterised by rising costs and a challenging funding environment, they have shown remarkable resilience. Their ability to navigate these challenges is a testament to their strength and the effectiveness of the support structures we have in place. Some remarkable milestones have been achieved:

- Healthy Independent Living Service (HILS) is now the largest meals on wheels provider in England, expanding its reach by more than 60% and delivering more than 68,500 meals per month.
- Speech and Language UK (SLUK) is now supporting 255,000 parents through a new online child progress checker tool that gives parents tailored advice on how to best help a child reach developmental milestones.
- Jamie's Farm is supporting twice as many young people to thrive in school and launched two new farms, including their first farm in the North; thousands of young people will benefit as a result.

This type of growth is transformative and touches the lives of thousands across the UK, multiplying in the years to come.

This year we have seen extraordinary engagement from all our corporate partners. A record number of 400 professionals have given over 2,500 days of their time and expertise to help 24 charities and social enterprises overcome barriers to growth. None of this would have been possible without the dedication of our core team of five staff, two secondees, our Investment Committee and 35 specialist Advisory Board members covering: Digital, Sales and Marketing, Strategic Finance, People and HR, and Equity, Diversity, and Inclusion.

Alongside professional support we have also deployed targeted grant funding aimed at challenges that only financial resources can solve, for example funding a new role, new system or new venture. In many of these, SBT has co-invested alongside the social enterprise.

Our Talent Development and Peer Exchange programs have been instrumental in enhancing the capabilities of social enterprise leaders and their teams. These initiatives have provided tailored professional development, enabling leaders to better navigate challenges and seize opportunities for growth.

Digital initiatives have reached new heights with the delivery of 14 digital transformation projects, empowered organisations to operate more effectively, and provided an estimated £265,000 of in-

Report of the trustees – CEO's Report

For the year ended 31 May 2024

kind support to digital and tech teams of charities and social enterprises in our portfolio. Looking ahead, we're defining a new strategy for SBT's digital offering, aiming to provide a wider and more structured range of support for charities at all stages of digital development.

This has been a year of growth, resilience, and forward momentum. Our achievements are a testament to the hard work and dedication of our team, volunteers, and partners. As we look to the future, we remain committed to driving positive change, supporting our portfolio in every way possible, and fostering a stronger, more inclusive society where ambitious charities can thrive and make a meaningful difference.

Joanne Hay
Chief Executive

Key Performance Indicators

KPI	Explanation	FY24 Performance
Total cash income (£s)	This measures the financial support that we have received during the year and determines our ability to fund core costs and to make cash grants to social enterprises.	Total cash income in the year to 31 May 2024 was £812k (FY23: £821k, including interest income). Agreements were renewed for two business partners during the year; however, additional grant funding from one business partner that was received in FY24 (as the prior two years) is not expected at this point to recur. We continue to seek additional sources of cash income as this will enable us to expand our activities.
Expenditure on core costs (£s)	This measure determines how much we spend on SBT's core operations. We are looking to optimise rather than minimise this measure, as inadequate investment in core costs is a false economy.	Total expenditure on core costs in FY24 was £516k (FY23: £465k). Staffing was maintained at prior year levels despite a significant increase in activity, with increased costs of £22k due to pay awards. Property costs increased by £19k as the team moved into dedicated space at Somerset House.
Number of investments made	Although SBT's investment criteria are flexible, we would normally expect to restrict our investments to only support social enterprises that want to work with us to achieve 'transformation'. The number	In FY24, SBT's Investment Committee approved four proposals to invest in social enterprises: one investment was made as that social enterprise joined SBT's Portfolio from Design, three were made to existing members of SBT's Portfolio consistent with the strategy of creating longer, more impactful relationships. In FY23,

Report of the trustees – CEO's Report

For the year ended 31 May 2024

KPI	Explanation	FY24 Performance
	of investments made in a period should reflect this. This measure also indicates the effectiveness of our processes for identifying and processing suitable applicants.	the Investment Committee approved one new investment.
In-kind support drawn down from our business partners (£s)	This amount measures both the extent of our ability to engage our business partners and the value of the expertise provided without charge to SBT and to our investees.	In FY23, £7,836k (FY23 £5,453k) of in-kind support was provided by SBT's business partners, an increase of 44% from FY23 and more than double the level of support provided in FY22. A number of significant projects were commenced and/or completed during the year. All members of the Portfolio received expert support from SBT's business partners during the year, to help with specific functional areas, training and mentoring – as did the members of the SBT Development Network and social enterprises new to SBT in the Design stage. Of the total value of in-kind services provided in FY24, 98% was provided directly to our social enterprises (97% in FY23).
Feedback from our key stakeholders	SBT regards its investors, investees (actual and potential) and staff as its key stakeholders.	We obtain regular feedback from our investors, investees and staff. In most cases, this is extremely positive but we also welcome constructive criticism as this enables us to improve our processes. During the year, we collected feedback from volunteers on how volunteering had impacted their professional development. We achieved a NPS (net promoter score) of +57 from investees.

Financial overview

Total cash incoming resources for FY24 year were £812k (FY23: £821k including interest income). After core costs of £516k (FY23: £465k), cash payments to investee social enterprises of £274k (FY23: £583k), and an increase in working capital of £22k (FY23: £13k), year-end cash balances increased by £2k (FY23: decrease of £243k) to £628k at 31 May 2024. These, together with future cash donations from our business partners, will enable us to meet our cash commitments to existing investees (valued at £365k at 31 May 2024) and make additional investments during FY25.

In addition to their cash donations, business advice with an estimated market value of £7,836k (FY23: £5,453k) was drawn down from our business partners and provided to SBT and its investees.

Report of the trustees – CEO's Report

For the year ended 31 May 2024

An analysis of our total FY24 core and in-kind expenditure of £8,627k shows that £8,418k or 98% of our resources (FY23: 97%) was focused on our investees. The balance went on raising funds (1%) and on governance (1%) – with the latter being broadly defined to include strategic management of the charity, risk management, compliance with regulations and public reporting.

Reserves policy

Our reserves policy is risk based and reflects the trustees' belief that, after taking account of existing cash commitments to portfolio companies, the charity should maintain a minimum level of unrestricted funds equivalent to approximately three months' core costs as this would enable SBT to manage an unexpected disaster that would threaten our ability to continue as a going concern. At activity levels forecast for FY25, this implies the need to maintain a minimum level of funds of approximately £142k. After deducting known cash commitments to portfolio companies, total unrestricted funds at 31 May 2024 were approximately £263k. The excess over the minimum targeted level is regarded by the trustees as acceptable.

Report of the trustees

For the year ended 31 May 2024

The trustees present their report and the audited financial statements for the year ended 31 May 2024.

For clarity and in recognition of their important roles in the governance and management of the charity, the Chair and Chief Executive have presented separate reports. These reports (for which the trustees take full responsibility) should be read as part of this report.

The reference and administrative information set out on page 1 also forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Structure and objects

The organisation is a charitable company limited by guarantee, incorporated as Scale-Up on 5 May 2010 and registered as a charity on 2 June 2010. The company's name was changed to Social Business Trust on 11 November 2010.

The company was established under a memorandum of association, which established the objects and powers of the charitable company and is governed under its articles of association.

The objects of the charity, as stated in its governing documents, are to pursue any exclusively charitable objects as the trustees in their absolute discretion think fit by any means including but not limited to providing grants or other forms of financial assistance, materials or assistance in kind. The management and governance structures in place are designed to enable this to happen.

Aims, objectives and activities

Social Business Trust ("SBT") is a partnership of leading businesses that share a common goal – to use our combined resources and experience to ensure the sustainability and help accelerate the growth of ambitious social enterprises, increasing social impact and making sustainable, positive change.

Together, SBT's business partners invest in UK social enterprises and charities with a clear social mission, a robust business model and good leadership. Our investment consists of a combination of cash grants and expert resources provided free of charge. Initially, investees are invited to join our SBT Design Programme during which we add value by working through a structured due diligence programme designed to ensure that the fundamentals for growth are in place. Subsequently, if appropriate, we contribute to projects that the investee management team "owns" and which they regard as critical to their ability to scale-up the impact of their organisation and/or to enhance their sustainability.

In all cases, we work collaboratively with management but, in accordance with best business practice, we always insist on accountability, transparency and a focus on results. Consequently, our

support is usually provided in instalments, with each instalment being conditional on the achievement of certain milestones. We monitor the social impact of our investees and attempt to estimate the social return on our investment in terms of the key performance indicators that our investees consider meaningful.

Trustees

Trustees with appropriate functional and business skills have been appointed from SBT's business partners and elsewhere. They meet as a Board at least four times a year. Trustees automatically become members of the charity. With the exception of the Chair, all trustees serve for a three-year term, after which they are eligible for re-appointment on the recommendation of the Board on such terms and for such duration as the Board may determine.

As part of their induction, the Chair and Chief Executive each hold one-to-one meetings with new trustees to ensure that they are fully versed in SBT's objectives and procedures. Updates on developments in the social sector are provided at each trustees' meeting and additional training is available to trustees on request. The names of the trustees who held office during the year are set out on page 1.

Related party transactions and conflicts of interest

Trustees are required to disclose to the Board any direct or indirect interest in a proposed or existing transaction and any other circumstances that might give rise to a conflict or potential conflict. When any such actual or potential conflicts are identified, the trustee in question plays no part in the decision on whether or not to enter into the transaction.

Transactions in which a trustee has or may have a direct or indirect interest are referred to as related party transactions. Related party transactions involving trustees are fully disclosed in the financial statements (see Note 13).

Public benefit

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set. To ensure that SBT is acting in accordance with its objects, investments are restricted to registered charities or to other not-for-profit entities where, in the opinion of the trustees, any private benefit is incidental and insignificant.

Investment Committee

The trustees have set up an Investment Committee to act as an advisory sub-committee of the Board. The Investment Committee includes one senior representative of each of SBT's business partners. Its purpose is to consider detailed investment recommendations put forward by SBT's core team and, if appropriate, recommend them to the Board for approval. Meetings of the Investment Committee take place at least four times a year.

Report of the trustees

For the year ended 31 May 2024

The current members of the Investment Committee are:

Larissa Joy (Chair)

Gemma Cotton (Bain & Company)

Anne Drakeford (Clifford Chance)

Andrew Walton (EY)

David Hirschmann (Permira Credit)

Jon Slade (The FT)

Louise Hosking (Schroders)

Daniel Fox (Thomson Reuters)

Fundraising

The charity is committed to observing all relevant fundraising regulations and codes. During the year, there was no non-compliance of these regulations and codes and the charity received no complaints relating to its fundraising practices.

Volunteers

SBT's trustees, Investment Committee members and core team are extremely grateful to the many people from SBT's business partners and other organisations who have given us and our investees the benefit of their experience and expertise during the year. SBT's accounting policies for valuing the contributions of these volunteers is set out in Note 1 to the financial statements.

Risk management

Risk exists when there is uncertainty surrounding events and their outcomes that may have a significant impact on SBT's ability to:

- Achieve its aims
- Satisfy the expectations of its stakeholders
- Operate efficiently

Risk management is the responsibility of the Board and, in recognition of this, a schedule summarising principal risks together with mitigating factors and appropriate risk management procedures is formally reviewed by the Board annually. In the Board's opinion, SBT's two most significant risks can be summarised as:

- The inability to attract or retain enough key business partners to continue to provide SBT and its investees with the level of support required to achieve SBT's aims
- The unavailability or loss of key SBT team members

To a significant extent, these risks are outside the control of the Board but mitigation strategies include a relentless focus on stakeholder satisfaction, increased investment in fundraising and appropriate succession planning.

Going concern

The trustees consider that, having regard to the level of reserves and to the continuing support of SBT's business partners, there are no material uncertainties about the charitable company's ability to continue as a going concern.

Remuneration policy for key management personnel

The trustees of SBT recognise that the charity will not achieve its ambitious goals unless we are able to attract and retain a core team of key management personnel who have the experience, enthusiasm and ability to provide support and guidance to both its investee companies and to high calibre personnel from its business partners. Consequently, the ability to offer a compelling value proposition to all staff is regarded as a critical success factor.

In common with other small, entrepreneurial organisations in the charitable sector, SBT's value proposition to staff includes flexible working, supportive teamwork and significant job satisfaction from the social impact that we are helping to generate. However, remuneration is also important, and, for this element of the overall reward package, our policy is to set pay and benefits at levels that are competitive for the sector and which recognise an individual's abilities, responsibilities and experience.

The remuneration of key management personnel is summarised in Note 6 of the financial statements. On a full time, equivalent basis, SBT's highest paid employee is the Chief Executive and, in the year to 31 May 2024, her salary was approximately 2.0 times the average full time equivalent salary paid to other employees.

Financial review

The Chief Executive's report, which is set out on pages 4 to 7, includes a commentary on SBT's performance in the year to 31 May 2024 and a financial overview.

Plans for the future

As we move into the new year, we do so with a strong pipeline of new organisations who need our support, a dedicated pool of professional volunteers, and a renewed commitment to expanding our impact. Our focus remains on providing tailored and specialist support, alongside on call advice and developing the future civil society leaders.

Demand for our support has never been higher and just like the social enterprises we support, SBT also needs resources and people to continue our work. A key priority for 2024/25 is to grow our revenue to increase the core team and increase our grant funding allocation so that we can support more charities and social enterprises.

Statement of responsibilities of the trustees

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

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

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgments and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation

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

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 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.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantors at 31 May 2024 was 10 (2023: 11). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Auditor

Sayer Vincent LLP was re-appointed as the company's auditor during the period and has expressed its willingness to continue in that capacity.

The trustees' annual report which includes the Chair's and Chief Executive's report was approved by the trustees on 25 September 2024 and signed on their behalf by:

Harry Nicholson – Treasurer

Independent auditor's report

To the members of

Social Business Trust

Opinion

We have audited the financial statements of Social Business Trust (the 'charitable company') for the year ended 31 May 2024 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 May 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent auditor's report

To the members of

Social Business Trust

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the trustees' annual report, including the Chair's Report and the Chief Executive's Report, for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report, including the Chair's Report and the Chief Executive's 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report including the Chair's Report and the Chief Executive's Report.

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

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

Independent auditor's report

To the members of

Social Business Trust

preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

Independent auditor's report

To the members of

Social Business Trust

- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

Judith Miller (Senior statutory auditor)

7 November 2024

for and on behalf of Sayer Vincent LLP, Statutory Auditor

110 Golden Lane, LONDON, EC1Y 0TG

Social Business Trust

Statement of Financial Activities *(incorporating an Income and Expenditure Account)*

For the year ended 31 May 2024

		Unrestricted £	Restricted £	2024 Total £	Unrestricted £	Restricted £	2023 Total £
	Note						
Income from:							
Donations	2	8,639,431	–	8,639,431	6,062,665	201,750	6,264,415
Bank interest and sundry income		8,473	–	8,473	9,531	–	9,531
Total income		8,647,904	–	8,647,904	6,072,196	201,750	6,273,946
Expenditure on:							
Raising funds		140,069	–	140,069	111,552	–	111,552
Charitable activities		8,484,807	1,958	8,486,765	6,189,091	200,378	6,389,469
Investment in projects							
Total expenditure	3	8,624,876	1,958	8,626,834	6,300,643	200,378	6,501,021
Net income for the year and net movement in funds	5	23,028	(1,958)	21,070	(228,447)	1,372	(227,075)
Reconciliation of funds							
Total funds brought forward		627,064	7,138	634,202	855,511	5,766	861,277
Total funds carried forward		650,092	5,180	655,272	627,064	7,138	634,202

Movements in restricted funds are detailed in note 11

All of the above results are derived from continuing activities. There were no other recognised gains or losses in either year other than those stated above.

Social Business Trust

Balance sheet

Company no. 07242976

31 May 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible fixed assets	8	3,393	5,968
Current assets			
Debtors	9	49,247	18,785
Short term deposits		91,787	87,631
Cash at bank and in hand		535,959	538,042
		676,993	644,458
Liabilities			
Creditors: amounts due within one year	10	(25,114)	(16,224)
Net current assets		651,879	628,234
Net assets		655,272	634,202
The funds of the charity			
Unrestricted general funds		650,092	627,064
Restricted funds	11	5,180	7,138
Total charity funds		655,272	634,202

Approved by the trustees on 25th September 2024 and signed on their behalf by:

Harry Nicholson
Trustee

Social Business Trust

Statement of Cash Flows

For the year ended 31 May 2024

	2024 Total £	2023 Total £
Net income for the year	21,070	(227,075)
Depreciation	4,849	3,226
Loss on disposal of fixed assets	–	1
Decrease/(increase) in debtors	(30,462)	(518)
Increase/(decrease) in creditors	8,890	(12,869)
Net cash provided by operating activities	4,347	(237,235)
Cash flows from investing activities:		
Purchase of fixed assets	(2,274)	(5,339)
Net cash used in investing activities	(2,274)	(5,339)
Change in cash and cash equivalents in the year	2,073	(242,574)
Cash and cash equivalents at the beginning of the year	625,673	868,247
Cash and cash equivalents at the end of the year	627,746	625,673

Analysis of cash and cash equivalents

	At 1 June 2023 £	Cash flows £	At 31 May 2024 £
Cash at bank and in hand	538,042	(2,083)	535,959
Short term deposits	87,631	4,156	91,787
Total	625,673	2,073	627,746

1 Accounting policies

a) Statutory information

Social Business Trust ("SBT") is a charitable company limited by guarantee and incorporated in the United Kingdom.

The registered office address is 110 Golden Lane, London, EC1Y 0TG.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. 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 nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that, having regard to the level of reserves and to the continuing support of SBT's business partners, there are no material uncertainties about the charitable company's ability to continue as a going concern. Further details can be found in the trustees' annual report.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period. Similarly, the trustees do not believe that they have made any key judgements which have had a significant effect on the accounts.

e) Income

Donations consist of cash donations and services provided "in-kind" (i.e. without charge) to SBT or its investees by SBT's business partners. Cash donations are included in full in the statement of financial activities when receivable and, when appropriate, include Gift Aid receivable from HMRC. In-kind donations are recognised as income when the services in question are provided and are valued by the trustees of SBT at a prudent estimate of the market value of those services.

1 Accounting policies (continued)

f) Expenditure and irrecoverable VAT

Expenditure is recognised in the period in which it is incurred and includes attributable VAT as this cannot be recovered.

SBT has the following three core processes:

1. Raising funds

Associated activities include profile raising, identifying potential business partners and/or individual donors, enlisting support from and managing relationships with those partners/donors and organising fundraising events.

2. Investment in projects

Associated activities include market research, screening applicants, detailed due diligence, project definition, project delivery and monitoring progress.

3. Governance

Associated activities include strategic management of the charity, risk management, internal control, administration, compliance with regulations and public reporting.

g) Allocation of support costs

Cash grants and the value of in-kind services provided by SBT's core team and its business partners to other organisations are allocated directly to investment in projects. All other costs are initially allocated to support costs and then re-allocated to SBT's three core processes – either directly or on the basis of the most appropriate cost driver. In the case of staff costs, the cost driver is the amount of time spent by an individual team member on a particular process. For all other indirect costs, re-allocation is based on the following percentages which themselves are derived from the trustees' estimate of the percentage of total time spent by the core team on each of the three core processes:

Raising funds	17.5%
Investment in projects	70.6%
Governance	11.9%

Governance costs are then reallocated to the other two processes in proportion to their total direct and indirect costs.

h) Grants payable

Cash grants payable to other organisations are charged to the statement of financial activities when conditions have been met for payment. Where grants are payable by instalments, each instalment is conditional on the organisation in question meeting SBT's requirements. Expenditure is only recognised when these conditions are met. Where conditions have not yet been met, outstanding payments are shown as future commitments.

1 Accounting policies (continued)

i) Donations of gifts, services and facilities

Services provided without charge by SBT's business partners to SBT or to other organisations are recognised as resources expended (and as voluntary income) when the services are provided and are valued by the trustees of SBT at a prudent estimate of the market value of those services. Additional services that SBT has agreed to provide to other organisations but which have not yet been provided are valued on the same basis and shown as future commitments.

Services provided without charge to SBT by trustees, Investment Committee members, other individual volunteers and external organisations (other than SBT's business partners) are not recognised as resources expended (or as voluntary income) but are acknowledged in the trustees' report.

j) Tangible fixed assets

Depreciation is provided at a rate calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates currently in use are as follows:

Office equipment	3 years
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Items of equipment are capitalised when the purchase price exceeds £250. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

k) Operating leases

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the Statement of Financial Activities on a straight line basis over the term of the lease.

l) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

m) Pensions

Contributions payable by SBT to the company's defined contribution pension scheme are recognised in the period to which they relate.

n) Fund accounting

Unrestricted funds are derived from donations and other incoming resources received or generated for general charitable purposes. Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure incurred in connection with these purposes is charged to the relevant fund together, when appropriate, with a fair allocation of management and support costs.

o) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

p) Cash at bank and in hand

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

1 Accounting policies (continued)

q) Short term

Short term deposits includes cash balances that are invested in accounts with a maturity date of between 3 and 12 months.

r) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

2 Donations

	2024 Total £	2023 Total £
Cash donations from business partners	802,500	810,000
In-kind services provided by business partners	7,836,121	5,452,510
Cash donations from individuals and corporate entities	810	1,905
Total	8,639,431	6,264,415

In 2024, all donations were unrestricted. In 2023, £200,000 of cash donations were restricted to the Digital Impact Fund, and £1,750 restricted to the HBS CEO programme.

Social Business Trust

Notes to the financial statements

For the year ended 31 May 2024

3a Total expenditure (current year)

	Costs of raising funds £	Investment in projects £	Governance Costs £	Support Costs £	2024 Total £	2023 Total £
Cash paid to support social enterprises	–	274,230	–	–	274,230	583,250
In-kind services provided	–	7,702,561	–	133,560	7,836,121	5,452,510
	–	7,976,791	–	133,560	8,110,351	6,035,760
Staff and recruitment costs (Note 6)	–	–	–	395,340	395,340	372,980
Property costs	–	–	–	49,979	49,979	30,802
Marketing and fundraising costs	–	–	–	11,118	11,118	14,644
Training	–	–	–	3,337	3,337	–
Subscriptions	–	–	–	2,546	2,546	2,226
Travel, subsistence and entertainment	–	–	–	2,549	2,549	5,043
Phone costs	–	–	–	2,627	2,627	4,322
Depreciation	–	–	–	4,848	4,848	3,226
Other office costs	–	–	–	13,346	13,346	11,845
Insurance	–	–	–	7,863	7,863	6,758
Professional fees	–	–	–	22,930	22,930	13,415
	–	7,976,791	–	650,043	8,626,834	6,501,021
Support Costs	121,331	441,750	86,962	(650,043)	–	–
Governance costs	18,738	68,224	(86,962)	–	–	–
Total expenditure 2024	140,069	8,486,765	–	–	8,626,834	
Total expenditure 2023	111,552	6,389,469	–	–		6,501,021

Governance costs include in-kind services provided by business partners, relevant staff costs, fees payable to the charity's auditors and an appropriate share of overheads.

Social Business Trust

Notes to the financial statements

For the year ended 31 May 2024

3b Total expenditure (prior year)

	Costs of raising funds £	Investment in projects £	Governance Costs £	Support Costs £	2023 Total £
Cash paid to support social enterprises	–	583,250	–	–	583,250
In-kind services provided	–	5,277,441	–	175,069	5,452,510
	–	5,860,691	–	175,069	6,035,760
Staff and recruitment costs (Note 6)	–	–	–	372,980	372,980
Property costs	–	–	–	30,802	30,802
Marketing and fundraising costs	–	–	–	14,644	14,644
Training	–	–	–	–	–
Subscriptions	–	–	–	2,226	2,226
Travel, subsistence and entertainment	–	–	–	5,043	5,043
Phone costs	–	–	–	4,322	4,322
Depreciation	–	–	–	3,226	3,226
Other office costs	–	–	–	11,845	11,845
Insurance	–	–	–	6,758	6,758
Professional fees	–	–	–	13,415	13,415
	–	5,860,691	–	640,330	6,501,021
Support Costs	110,093	445,204	85,033	(640,330)	–
Governance costs	1,459	83,574	(85,033)	–	–
Total expenditure 2023	111,552	6,389,469	–	–	6,501,021

Notes to the financial statements

For the year ended 31 May 2024

4a Investment in projects

An analysis of cash payments and in-kind services provided during the year is set out below, by status at end of FY24:

	2024 £	2023 £
Portfolio		
Catch22	1,587,693	1,082,121
Challenge Partners	98,960	521,905
Hertfordshire Independent Living Service	104,833	228,751
Hestia	1,032,598	112,887
Jamie's Farm	62,232	318,925
London Early Years Foundation	59,338	351,602
RetailTRUST	346,539	170,050
SALUK	743,671	547,852
The Brilliant Club	455,211	522,719
Development Network		
Bikeworks	1,122,745	819,500
Career Ready	75,914	209,506
City Harvest	68,894	36,189
DFN Project Search	115,040	191,442
Do it Now Now	6,168	2,187
LEAP	90,871	195,506
Smart Works	18,393	1,385
Twining	273,408	248,540
Design		
AllChild	28,270	-
Mind	1,189,260	13,414
parkrun	471,479	-
upReach	7,771	-
	7,959,288	5,574,481
Digital		
Project Rainbow (I and II)	1,958	198,042
Brightside	-	16,227
British Exploring Society	1,041	31,538
Shakespeare Schools	-	10,447
Starlight	132	-
The Fore	-	4,593
	14,372	25,363
	7,976,791	5,860,691

In FY24, Jamie's Farm moved from Design to Portfolio; Career Ready, LEAP and Twining moved from Portfolio to SBT's Development Network; Smartworks moved into the Development Network; Brightside, British Exploring Society and Shakespeare Schools moved out of the Development Network.

Digital comprised the Digital Impact Fund in FY23 which made cash grants to Challenge Partners, HILLS, Hestia, RetailTRUST, SALUK (formerly I CAN), The Brilliant Club and Twining. funded by a restricted donation by a business partner. The final payment from this fund was made in early FY24.

Project Rainbow covered specific cash and in-kind services to support SBT portfolio members related to actions taken as a result of COVID restrictions.

Notes to the financial statements

For the year ended 31 May 2024

4b Investment in projects (continued)

At 31 May, the estimated value of future commitments to provide cash grants and additional services was as follows:

	2024 £	2023 £
Within one year	1,675,000	1,090,000
Between one and two years	105,000	100,000
Total	<u>1,780,000</u>	<u>1,190,000</u>

Post year end, two investments were approved by trustees that represent an additional £360,000 of future commitments within one year and £1,010,000 of future commitments between one and two years.

5 Net movement in funds for the period

This is stated after charging:	2024 £	2023 £
Depreciation	4,848	3,226
Rent/workstation licence fees	47,202	30,802
Auditor's remuneration (excluding VAT):		
Audit	9,655	8,900
Trustees' remuneration	NIL	NIL
Trustees' expenses	NIL	NIL

6 Staff costs and numbers

Staff costs were as follows:	2024 £	2023 £
Salaries and fees payable	339,693	321,476
Social security costs	37,700	25,823
Pension contributions	16,199	14,881
Recruitment costs	1,748	10,800
	<u>395,340</u>	<u>372,980</u>

The following number of employees received employee benefits in excess of £60,000 (excluding employer national insurance and employer pension costs) during the year between:

	2024 No.	2023 No.
£60,000 – £69,999	1	–
£100,000 – £109,999	–	1
£110,000 – £119,999	1	

The total employee benefits (including employer national insurance and employer pension contributions) of the key management personnel were £393,592 (2023: £362,180).

At 31 May 2024, SBT's core team consisted of 7.1 (2023: 7.8) full time equivalents, being 5 (2023: 6) employees and two (2023: two) secondees from EY. The average weekly number of employees (full-time equivalents) during the year was 5.4 (2023: 5.5).

7 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

8 Tangible fixed assets

	Office equipment £	Total £
Cost		
At start of the year	20,142	20,142
Additions in year	2,274	2,274
Disposals in year	–	–
At the end of the year	22,416	22,416
Depreciation		
At start of the year	14,174	14,174
Charge for the year	4,849	4,849
Disposals in year	–	–
At the end of the year	19,023	19,023
Net book value		
At the end of the year	3,393	3,393
At the start of the year	5,968	5,968

All of the above assets are used for charitable purposes.

9 Debtors

	2024 £	2023 £
Prepayments	10,671	9,862
Other debtors	–	–
Rent deposit	11,510	2,328
Accrued income	27,066	6,595
	49,247	18,785

10 Creditors: amounts due within one year

	2024 £	2023 £
Taxation and social security	8,684	4,920
Other creditors	16,430	11,304
	25,114	16,224

Notes to the financial statements

For the year ended 31 May 2024

11a Restricted funds – current year

	At 1 June 2023 £	Income £	Expenditure £	At 31 May 2024 £
Digital impact fund	1,958	–	(1,958)	–
HBS Fund	5,180	–	–	5,180
Total restricted funds	7,138	–	(1,958)	5,180

The Digital impact fund enabled immediate targeted investment in social enterprises, supporting their digital transformation so they can help more people recover from the effects of the pandemic.

The HBS Fund was established by the charity's co-founder and former Chair, Sir Damon Buffini. Its purpose is to enable senior executives from SBT's investee companies to attend a course for social entrepreneurs at Harvard Business School.

Total restricted funds at the year end (£5,180) were represented by cash. All of the charity's other assets and liabilities at 31 May 2024 represented unrestricted funds.

11b Restricted funds – prior year

	At 1 June 2022 £	Income £	Expenditure £	At 31 May 2023 £
Digital Impact fund	–	200,000	(198,042)	1,958
HBS Fund	5,766	1,750	(2,336)	5,180
Total restricted funds	5,766	201,750	(200,378)	7,138

12 Property commitments

Under its current arrangements at Somerset House, SBT rents a number of desks on a rolling contract with one month's notice.

13 Related party transactions

As shown in Note 4, during the year, cash and in-kind services with values of £334,039 (FY23 £170,050) and £132 (FY23 nil) were provided to RetailTRUST and Shakespeare Schools ("Coram SSF") respectively. Paul Armstrong is a trustee of RetailTRUST, and both James Hadley and Guy Davies are trustees of Coram SSF.

In accordance with SBT's normal procedures, having declared their interests, the trustees concerned took no part in the decisions to make the investments in the investee companies in which they were involved. In all cases, the remaining trustees were satisfied that the associated expenditure was appropriate and in the best interests of SBT.

14 Legal status of the charity

SBT is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

SOCIAL BUSINESS TRUST

England & Wales - Charity number 1136151

Accounts

Company number: 07242976

Charity number: 1136151

Social Business Trust

Report and Financial Statements

For the year ended 31 May 2023

Social Business Trust

Reference and administrative details

For the year ended 31 May 2023

Company number	07242976 – incorporated in the United Kingdom	
Charity number	1136151 – registered in England and Wales	
Registered office	Invicta House 108–114 Golden Lane London EC1Y 0TL	
Operational address	Room S9/10, 2 nd Floor, West Wing Somerset House London WC2R 1LA	
Trustees	Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:	
	Larissa Joy	Chair
	Paul Armstrong	Secretary and Vice Chair
	Michael Crossan	
	Guy Davies	
	Anne Drakeford	appointed September 2022
	Jan Coos Geesink	
	James Hadley	
	Madeleine Hale	
	Simon Milton	
	Harry Nicholson	
	Kim Rihal	
Key management personnel	Joanne Hay	Chief Executive
	Jennifer Coles	
	Alex McAleavy	
	Greg Medlock	
	Bill Snaddon	
Bankers	Royal Bank of Scotland	
Solicitors	Russell Cooke Solicitors 2 Putney Hill, London, SW15 6AB	
Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditor Invicta House 108–114 Golden Lane London EC1Y 0TL	

CHAIR'S REPORT

Social Business Trust continues to go from strength to strength. The year under review has been a record year in terms of the number of volunteers deployed, the level of their commitment, the cash grants to our social enterprises and the engagement of SBT's partners. Over £6 million of in-kind and cash grant support has been drawn down from our partners for the benefit of the portfolio to support the delivery of ambitious goals. Tracking these, and other, metrics is an important part of challenging ourselves to have a greater impact year on year.

With inflation increases and rising living costs affecting so many across the UK, coming so hot on the heels of the impact of Covid 19, the social enterprise model has shown itself to be uniquely adapted to withstand significant shocks and shifts. SBT believes that helping social enterprises to scale and thrive is crucial to addressing society's most pressing issues. SBT is privileged to serve a strong portfolio of social enterprises who make it their mission and daily work to make a positive impact on the lives of their beneficiaries. The work of our portfolio in supporting their beneficiaries has never been more vital.

We are extraordinarily fortunate to have such a committed, positive and supportive group of partners in Bain & Company, Clifford Chance, EY, Permira, Permira Credit, Refinitiv an LSEG company, Schroders and Thompson Reuters. We are delighted to welcome the Financial Times Group into the fold this year, both as a partner and a member of our investment Committee and we look forward to developing this relationship into the future. Particular thanks go to Permira whose sustained commitment to the Digital Fund – now in its 2nd year – has been of great value to the portfolio in helping them adapt their digital capabilities swiftly and with insight through match funding and a tailored package of support. I would like to thank all our partners and all their volunteers who lend their professional skills to SBT and its portfolio – in particular the senior representatives from each organisation who make up the SBT Investment Committee – for their energy and commitment this year.

This year also marks the first full year of a leadership team under CEO Dr Joanne Hay. Under Joanne's leadership, SBT has seen renewed commitment to delivering the key elements of SBT's 2022 to 2027 strategy, with a sharp focus on growth. Particular highlights include the development of cross-Partner advisory boards (Diversity and Inclusion; Sales and Marketing; Digital; Strategic Finance; People and HR) that garner the collective wisdom of our senior volunteers and deploy their advice across our social enterprises on a broad range of topics. Joanne has developed and nurtured a small, strong and talented team at the heart of SBT who share the organisation's mission to helping social enterprises to grow their impact.

SBT is very fortunate to have a board of trustees who show real commitment and dedication to SBT. As a highly experienced group of individuals with a wide range of skills, they are part of what makes SBT such a special organisation and I want to thank them for all their sustained support for SBT.

Report of the trustees – Chair’s Report

For the year ended 31 May 2023

SBT will continue to tackle social inequity by helping to leverage the power of social enterprises and charities that play a crucial role in society. In future years we will build on our track record as SBT plans to continue to grow and deepen the support we provide to our portfolio, and with a sustained focus on education, employment and health and wellbeing. We look forward to being able to help our current social enterprises and potential new entrants into our portfolio in the coming year to increase their impact, resilience and outcomes for their own beneficiaries.

In time of unprecedented change, the opportunity for the social sector and business to be in a productive dialogue and to join arms to tackle some of society’s most intractable problems has never been greater.

Larissa Joy OBE
Chair

CEO'S REPORT

SBT works with ambitious charities and social enterprises building a more equitable society. We support them for the long-term to be sustainable, grow and serve many more people. By combining business knowledge and grant funding together with charity know how, we are helping to create lasting and positive change.

Over the past year SBT has supported 21 social enterprises. Together, they are helping thousands of people succeed in education and employment and to lead healthy lives. We have seen first-hand how their leadership teams are wrestling, adapting and reinventing their organisations to meet growing demands. This has informed our commitment to significantly deepen the support we provide.

Reflecting this ambition to do more, we have had a record year of direct contribution to our social enterprises of both in-kind and cash support. Over 400 highly skilled people shared professional knowledge and skills, an increase of 40% on the previous year. Together with cash grants this totalled £6 million compared with £3.7 million in FY22.

Five social enterprises received over £500k support in FY23 compared with two in FY22. New initiatives such as our five Advisory Boards, supporting on Digital, Sales and Marketing, Strategic Finance, People and HR and Equity, Diversity and Inclusion, have unlocked invaluable expertise. Similarly, masterclasses and professional development opportunities for social sector leaders are all driving impact across the Portfolio. A survey of Portfolio CEOs showed that over 90% believe 'SBT's support has helped increase their organisation's impact'.

Since launching the Digital Advisory Board in Sep 2020, SBT's digital offer has grown considerably and is a key value driver for the portfolio. In FY23 we provided over 2,000 hours of digital support across 18 projects to 11 social enterprises. Our second Digital Impact Fund is enabling exciting digital transformation initiatives in seven social enterprises, funded by the Permira Foundation. Initiatives range from developing an online progress checker for children with speech and language difficulties to building a platform to measure the wellbeing of retail workers.

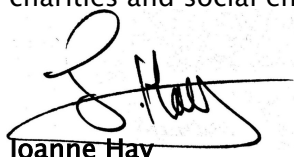
All of this has been possible because of the energy, enthusiasm and commitment of our trustees, business partners, volunteers and SBT staff. I am extremely grateful to our chair of trustees Larissa Joy, OBE, who is a constant source of inspiration, bringing out the very best of SBT in support of our mission. I would also like to recognise our Investment Committee who have been instrumental in helping SBT drive impact during this record year of investments.

We continue to operate a lean core team, drawing on support and advice from all our corporate partners. We have also had the support of excellent EY secondees providing essential support to the Portfolio. Staffing and costs have been maintained at prior levels despite big increases in activity. As a result, 97% of expenditure went on investing in social enterprise investees up from 94% last year.

Report of the trustees – CEO's Report

For the year ended 31 May 2023

Looking ahead, we are planning to do more and to collaborate more to achieve change. We will continue to deepen our relationships with social enterprises to enhance their impact. Digital will continue to grow as we double-down on support to the Portfolio through professional expertise, funding and greater cross partner collaboration. This will all require growing our revenue to increase the core team and to increase our grant funding allocation so that we can support more charities and social enterprises.



Joanne Hay
Chief Executive

Key Performance Indicators

KPI	Explanation	FY23 Performance
Total cash income (£s)	This measures the financial support that we have received during the year and determines our ability to fund core costs and to make cash grants to social enterprises.	Total cash income in the year to 31 May 2023 was £812k (FY22: £962k). The main source of decrease was the ending of relationships with two business partners, partially offset by the addition of a new business partner and a further year of restricted grant funding for SBT's Digital initiative. We continue to seek additional sources of cash income as this will enable us to expand our activities.
Expenditure on core costs (£s)	This measure determines how much we spend on SBT's core operations. We are looking to optimise rather than minimise this measure, as inadequate investment in core costs is a false economy.	Total expenditure on core costs in FY23 was £465k (FY22: £479k). Staffing and staff costs were maintained at prior year levels despite a significant increase in activity.
Number of investments made	Although SBT's investment criteria are flexible, we would normally expect to restrict our investments to only support social enterprises that want to work with us to achieve 'transformation'. The number of investments made in a period should reflect this. This measure also indicates the effectiveness of our processes for identifying and processing suitable applicants.	In FY23, SBT's Investment Committee approved one proposal to invest in a social enterprise, as that social enterprise joined SBT's Portfolio from Design. Most of the activity in the year was focused on existing portfolio projects; in FY22, the Investment Committee approved five new investments.

Report of the trustees – CEO's Report

For the year ended 31 May 2023

KPI	Explanation	FY23 Performance
In-kind support drawn down from our business partners (£s)	This amount measures both the extent of our ability to engage our business partners and the value of the expertise provided without charge to SBT and to our investees.	In FY23, £5,453k (FY22 £3,355k) of in-kind support was provided by SBT's business partners, an increase of over 60%. All current business partners increased the value of the support provided to SBT. All members of the Portfolio received expert support from SBT's business partners during the year, to help with specific functional areas, training and mentoring – as did certain members of the SBT Development Network and social enterprises new to SBT in the Design stage. Nine of the twelve members of SBT's Portfolio received an increase in support in FY23. Of the total value of in-kind services provided in FY23, 97% was provided directly to our social enterprises (86% in FY22).
Feedback from our key stakeholders	SBT regards its investors, investees (actual and potential) and staff as its key stakeholders.	We obtain regular feedback from our investors, investees and staff. In most cases, this is extremely positive but we also welcome constructive criticism as this enables us to improve our processes. During the year, we collected feedback from volunteers on how volunteering had impacted their professional development. We achieved a NPS (net promoter score) of +77 from investees.

Financial overview

Total cash incoming resources for FY23 year were £812k (FY22: £962k). After core costs of £462k (FY22: £479k), cash payments to investee social enterprises of £583k (FY22: £316k), and an increase in working capital of £13k (FY22: reduction of £133k), year-end cash balances decreased by £243k (FY22: increase of £301k) to £626k at 31 May 2023. These, together with future cash donations from our business partners, will enable us to meet our cash commitments to existing investees (valued at £396k at 31 May 2023) and make additional investments during FY24.

In addition to their cash donations, business advice with an estimated market value of £5,453k (FY22: £3,355k) was drawn down from our business partners and provided to SBT and its investees.

An analysis of our total FY23 core and in-kind expenditure of £6,501k shows that £6,306k or 97% of our resources (FY22: 94%) was focused on our investees. The balance went on raising funds (2%) and on governance (1%) – with the latter being broadly defined to include strategic management of the charity, risk management, compliance with regulations and public reporting.

Reserves policy

Our reserves policy is risk based and reflects the trustees' belief that, after taking account of existing cash commitments to portfolio companies, the charity should maintain a minimum level of unrestricted funds equivalent to approximately three months' core costs as this would enable SBT to manage an unexpected disaster that would threaten our ability to continue as a going concern. At activity levels forecast for FY24, this implies the need to maintain a minimum level of funds of approximately £135k. After deducting known cash commitments to portfolio companies, total unrestricted funds at 31 May 2023 were approximately £230k. The excess over the minimum targeted level is regarded by the trustees as acceptable.

Report of the trustees

For the year ended 31 May 2023

The trustees present their report and the audited financial statements for the year ended 31 May 2023.

For clarity and in recognition of their important roles in the governance and management of the charity, the Chair and Chief Executive have presented separate reports. These reports (for which the trustees take full responsibility) should be read as part of this report.

The reference and administrative information set out on page 1 also forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Structure and objects

The organisation is a charitable company limited by guarantee, incorporated as Scale-Up on 5 May 2010 and registered as a charity on 2 June 2010. The company's name was changed to Social Business Trust on 11 November 2010.

The company was established under a memorandum of association, which established the objects and powers of the charitable company and is governed under its articles of association.

The objects of the charity, as stated in its governing documents, are to pursue any exclusively charitable objects as the trustees in their absolute discretion think fit by any means including but not limited to providing grants or other forms of financial assistance, materials or assistance in kind. The management and governance structures in place are designed to enable this to happen.

Aims, objectives and activities

Social Business Trust ("SBT") is a partnership of leading businesses that share a common goal – to use our combined resources and experience to ensure the sustainability and help accelerate the growth of ambitious social enterprises, increasing social impact and making sustainable, positive change.

Together, SBT's business partners invest in UK social enterprises and charities with a clear social mission, a robust business model and good leadership. Our investment consists of a combination of cash grants and expert resources provided free of charge. Initially, investees are invited to join our SBT Design Programme during which we add value by working through a structured due diligence programme designed to ensure that the fundamentals for growth are in place. Subsequently, if appropriate, we contribute to projects that the investee management team "owns" and which they regard as critical to their ability to scale-up the impact of their organisation and/or to enhance their sustainability.

In all cases, we work collaboratively with management but, in accordance with best business practice, we always insist on accountability, transparency and a focus on results. Consequently, our

Report of the trustees

For the year ended 31 May 2023

support is usually provided in instalments, with each instalment being conditional on the achievement of certain milestones. We monitor the social impact of our investees and attempt to estimate the social return on our investment in terms of the key performance indicators that our investees consider meaningful.

Trustees

Trustees with appropriate functional and business skills have been appointed from SBT's business partners and elsewhere. They meet as a Board at least four times a year. Trustees automatically become members of the charity. With the exception of the Chair, all trustees serve for a three-year term, after which they are eligible for re-appointment on the recommendation of the Board on such terms and for such duration as the Board may determine.

As part of their induction, the Chair and Chief Executive each hold one-to-one meetings with new trustees to ensure that they are fully versed in SBT's objectives and procedures. Updates on developments in the social sector are provided at each trustees' meeting and additional training is available to trustees on request. The names of the trustees who held office during the year are set out on page 1.

Related party transactions and conflicts of interest

Trustees are required to disclose to the Board any direct or indirect interest in a proposed or existing transaction and any other circumstances that might give rise to a conflict or potential conflict. When any such actual or potential conflicts are identified, the trustee in question plays no part in the decision on whether or not to enter into the transaction.

Transactions in which a trustee has or may have a direct or indirect interest are referred to as related party transactions. Related party transactions involving trustees are fully disclosed in the financial statements (see Note 13).

Public benefit

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set. To ensure that SBT is acting in accordance with its objects, investments are restricted to registered charities or to other not-for-profit entities where, in the opinion of the trustees, any private benefit is incidental and insignificant.

Investment Committee

The trustees have set up an Investment Committee to act as an advisory sub-committee of the Board. The Investment Committee includes one senior representative of each of SBT's business partners. Its purpose is to consider detailed investment recommendations put forward by SBT's core team and, if appropriate, recommend them to the Board for approval. Meetings of the Investment Committee take place at least four times a year.

Report of the trustees

For the year ended 31 May 2023

The current members of the Investment Committee are:

Larissa Joy (Chair)

Gemma Cotton (Bain & Company)

Anne Drakeford (Clifford Chance)

Andrew Walton (EY)

Paul Armstrong (Permira)

David Hirschmann (Permira Credit)

Jon Slade (The FT)

Louise Hosking (Schroders)

Daniel Fox (Thomson Reuters)

Fundraising

The charity is committed to observing all relevant fundraising regulations and codes. During the year, there was no non-compliance of these regulations and codes and the charity received no complaints relating to its fundraising practices.

Volunteers

SBT's trustees, Investment Committee members and core team are extremely grateful to the many people from SBT's business partners and other organisations who have given us and our investees the benefit of their experience and expertise during the year. SBT's accounting policies for valuing the contributions of these volunteers is set out in Note 1 to the financial statements.

Risk management

Risk exists when there is uncertainty surrounding events and their outcomes that may have a significant impact on SBT's ability to:

- Achieve its aims
- Satisfy the expectations of its stakeholders
- Operate efficiently

Risk management is the responsibility of the Board and, in recognition of this, a schedule summarising principal risks together with mitigating factors and appropriate risk management procedures is formally reviewed by the Board annually. In the Board's opinion, SBT's two most significant risks can be summarised as:

- The inability to attract or retain enough key business partners to continue to provide SBT and its investees with the level of support required to achieve SBT's aims
- The unavailability or loss of key SBT team members

To a significant extent, these risks are outside the control of the Board but mitigation strategies include a relentless focus on stakeholder satisfaction, increased investment in fundraising and appropriate succession planning.

Going concern

The trustees consider that, having regard to the level of reserves and to the continuing support of SBT's business partners, there are no material uncertainties about the charitable company's ability to continue as a going concern.

Remuneration policy for key management personnel

The trustees of SBT recognise that the charity will not achieve its ambitious goals unless we are able to attract and retain a core team of key management personnel who have the experience, enthusiasm and ability to provide support and guidance to both its investee companies and to high calibre personnel from its business partners. Consequently, the ability to offer a compelling value proposition to all staff is regarded as a critical success factor.

In common with other small, entrepreneurial organisations in the charitable sector, SBT's value proposition to staff includes flexible working, supportive teamwork and significant job satisfaction from the social impact that we are helping to generate. However, remuneration is also important, and, for this element of the overall reward package, our policy is to set pay and benefits at levels that are competitive for the sector and which recognise an individual's abilities, responsibilities and experience.

The remuneration of key management personnel is summarised in Note 6 of the financial statements. On a full time, equivalent basis, SBT's highest paid employee is the Chief Executive and, in the year to 31 May 2023, her salary was approximately 2.1 times the average full time equivalent salary paid to other employees.

Financial review

The Chief Executive's report, which is set out on pages 4 to 7, includes a commentary on SBT's performance in the year to 31 May 2022 and a financial overview.

Plans for the future

During FY23 we have significantly deepened the support we provide to our portfolio alongside working with a larger number of organisations, ultimately so they can help more beneficiaries.

Priorities for 2023/24 include:

- Further developing our volunteering capacity supporting investees to achieve sustainable growth.
- Growing revenue to increase the core team and increase our grant funding allocation so that we can support more charities and social enterprises.
- Developing our digital capability to meet growing needs across our portfolio.
- Supporting a culture of diversity and inclusion within the SBT team and across the portfolio and volunteer pool.

Statement of responsibilities of the trustees

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

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

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgments and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation

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

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 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.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantors at 31 May 2023 was 11 (2022: 10). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Social Business Trust

Report of the trustees

For the year ended 31 May 2023

Auditor

Sayer Vincent LLP was re-appointed as the company's auditor during the period and has expressed its willingness to continue in that capacity.

The trustees' annual report which includes the Chair's and Chief Executive's report was approved by the trustees on 27 September 2023 and signed on their behalf by:

Harry Nicholson – Treasurer

Independent auditor's report

To the members of

Social Business Trust

Opinion

We have audited the financial statements of Social Business Trust (the 'charitable company') for the year ended 31 May 2023 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 May 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent auditor's report

To the members of

Social Business Trust

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the trustees' annual report, including the Chair's Report and the Chief Executive's Report, for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report, including the Chair's Report and the Chief Executive's 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report including the Chair's Report and the Chief Executive's Report.

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

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

Independent auditor's report

To the members of

Social Business Trust

- The trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Independent auditor's report

To the members of

Social Business Trust

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

Judith Miller (Senior statutory auditor)

Date 23 November 2023

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108–114 Golden Lane, LONDON, EC1Y 0TL

Social Business Trust

Statement of Financial Activities *(incorporating an Income and Expenditure Account)*

For the year ended 31 May 2023

	Note	Unrestricted £	Restricted £	2023 Total £	Unrestricted £	Restricted £	2022 Total £
Income from:							
Donations	2	6,062,665	201,750	6,264,415	4,159,697	157,000	4,316,697
Bank interest and sundry income		9,531	–	9,531	455	–	455
Total income		6,072,196	201,750	6,273,946	4,160,152	157,000	4,317,152
Expenditure on:							
Raising funds		111,552		111,552	136,782	–	136,782
Charitable activities							
Investment in projects		6,189,091	200,378	6,389,469	3,857,740	155,239	4,012,979
Total expenditure	3	6,300,643	200,378	6,501,021	3,994,522	155,239	4,149,761
Net income for the year and net movement in funds	5	(228,447)	1,372	(227,075)	165,630	1,761	167,391
Reconciliation of funds							
Total funds brought forward		855,511	5,766	861,277	689,881	4,005	693,886
Total funds carried forward		627,064	7,138	634,202	855,511	5,766	861,277

Movements in restricted funds are detailed in note 11

All of the above results are derived from continuing activities. There were no other recognised gains or losses in either year other than those stated above.

Social Business Trust

Balance sheet

Company no. 07242976

31 May 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible fixed assets	8	5,968	3,855
Current assets			
Debtors	9	18,785	18,268
Short term deposits		87,631	250,432
Cash at bank and in hand		538,042	617,815
		<u>644,458</u>	<u>886,515</u>
Liabilities			
Creditors: amounts due within one year	10	(16,224)	(29,093)
		<u>628,234</u>	<u>857,422</u>
Net current assets			
		<u>634,202</u>	<u>861,277</u>
Net assets			
The funds of the charity			
Unrestricted general funds		627,064	855,511
Restricted funds	11	7,138	5,766
		<u>634,202</u>	<u>861,277</u>
Total charity funds			

Approved by the trustees on 27 September 2023 and signed on their behalf by:

Harry Nicholson
Trustee

Social Business Trust

Statement of Cash Flows

For the year ended 31 May 2023

	2023 Total £	2022 Total £
Net income for the year	(227,075)	167,391
Depreciation	3,226	3,201
Loss on disposal of fixed assets	1	1
Decrease/(increase) in debtors	(518)	119,111
Increase/(decrease) in creditors	(12,869)	13,827
Net cash provided by operating activities	(237,235)	303,531
Cash flows from investing activities:		
Purchase of fixed assets	(5,339)	(2,741)
Net cash used in investing activities	(5,339)	(2,741)
Change in cash and cash equivalents in the year	(242,574)	300,790
Cash and cash equivalents at the beginning of the year	868,247	567,457
Cash and cash equivalents at the end of the year	625,673	868,247

Analysis of cash and cash equivalents

	At 1 June 2022 £	Cash flows £	At 31 May 2023 £
Cash at bank and in hand	617,815	(79,773)	538,042
Short term deposits	250,432	(162,801)	87,631
Total	868,247	(242,574)	625,673

1 Accounting policies

a) Statutory information

Social Business Trust ("SBT") is a charitable company limited by guarantee and incorporated in the United Kingdom.

The registered office address is Invicta House, 108-114 Golden Lane, London, EC1Y 0TL.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. 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 nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that, having regard to the level of reserves and to the continuing support of SBT's business partners, there are no material uncertainties about the charitable company's ability to continue as a going concern. Further details can be found in the trustees' annual report.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period. Similarly, the trustees do not believe that they have made any key judgements which have had a significant effect on the accounts.

e) Income

Donations consist of cash donations and services provided "in-kind" (i.e. without charge) to SBT or its investees by SBT's business partners. Cash donations are included in full in the statement of financial activities when receivable and, when appropriate, include Gift Aid receivable from HMRC. In-kind donations are recognised as income when the services in question are provided and are valued by the trustees of SBT at a prudent estimate of the market value of those services.

1 Accounting policies (continued)

f) Expenditure and irrecoverable VAT

Expenditure is recognised in the period in which it is incurred and includes attributable VAT as this cannot be recovered.

SBT has the following three core processes:

1. Raising funds

Associated activities include profile raising, identifying potential business partners and/or individual donors, enlisting support from and managing relationships with those partners/donors and organising fundraising events.

2. Investment in projects

Associated activities include market research, screening applicants, detailed due diligence, project definition, project delivery and monitoring progress.

3. Governance

Associated activities include strategic management of the charity, risk management, internal control, administration, compliance with regulations and public reporting.

g) Allocation of support costs

Cash grants and the value of in-kind services provided by SBT's core team and its business partners to other organisations are allocated directly to investment in projects. All other costs are initially allocated to support costs and then re-allocated to SBT's three core processes – either directly or on the basis of the most appropriate cost driver. In the case of staff costs, the cost driver is the amount of time spent by an individual team member on a particular process. For all other indirect costs, re-allocation is based on the following percentages which themselves are derived from the trustees' estimate of the percentage of total time spent by the core team on each of the three core processes:

Raising funds	14.4%
Investment in projects	73.2%
Governance	12.4%

Governance costs are then reallocated to the other two processes in proportion to their total direct and indirect costs.

h) Grants payable

Cash grants payable to other organisations are charged to the statement of financial activities when conditions have been met for payment. Where grants are payable by instalments, each instalment is conditional on the organisation in question meeting SBT's requirements. Expenditure is only recognised when these conditions are met. Where conditions have not yet been met, outstanding payments are shown as future commitments.

1 Accounting policies (continued)

i) Donations of gifts, services and facilities

Services provided without charge by SBT's business partners to SBT or to other organisations are recognised as resources expended (and as voluntary income) when the services are provided and are valued by the trustees of SBT at a prudent estimate of the market value of those services. Additional services that SBT has agreed to provide to other organisations but which have not yet been provided are valued on the same basis and shown as future commitments.

Services provided without charge to SBT by trustees, Investment Committee members, other individual volunteers and external organisations (other than SBT's business partners) are not recognised as resources expended (or as voluntary income) but are acknowledged in the trustees' report.

j) Tangible fixed assets

Depreciation is provided at a rate calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates currently in use are as follows:

Office equipment	3 years
------------------	---------

Items of equipment are capitalised when the purchase price exceeds £250. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

k) Operating leases

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the Statement of Financial Activities on a straight line basis over the term of the lease.

l) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

m) Pensions

Contributions payable by SBT to the company's defined contribution pension scheme are recognised in the period to which they relate.

n) Fund accounting

Unrestricted funds are derived from donations and other incoming resources received or generated for general charitable purposes. Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure incurred in connection with these purposes is charged to the relevant fund together, when appropriate, with a fair allocation of management and support costs.

o) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

p) Cash at bank and in hand

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

1 Accounting policies (continued)

q) Short term

Short term deposits includes cash balances that are invested in accounts with a maturity date of between 3 and 12 months.

r) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

2 Donations

	2023 Total £	2022 Total £
Cash donations from business partners	810,000	955,000
In-kind services provided by business partners	5,452,510	3,354,692
Cash donations from individuals and corporate entities	1,905	7,005
Total	<u>6,264,415</u>	<u>4,316,697</u>

In 2023, £200,000 of cash donations were restricted to the Digital Impact Fund, and £1,750 restricted to the HBS CEO programme.

Social Business Trust

Notes to the financial statements

For the year ended 31 May 2023

3a Total expenditure (current year)

	Costs of raising funds £	Investment in projects £	Governance Costs £	Support Costs £	2023 Total £	2022 Total £
Cash paid to support social enterprises	-	583,250	-	-	583,250	316,075
In-kind services provided	-	5,277,441	-	175,069	5,452,510	3,354,692
	-	5,860,691	-	175,069	6,035,760	3,670,767
	-	-	-	-	-	-
Staff and recruitment costs (Note 6)	-	-	-	372,980	372,980	383,984
Property costs	-	-	-	30,802	30,802	27,858
Marketing and fundraising costs	-	-	-	14,644	14,644	7,426
Training	-	-	-	-	-	7,068
Subscriptions	-	-	-	2,226	2,226	2,049
Travel, subsistence and entertainment	-	-	-	5,043	5,043	5,599
Phone costs	-	-	-	4,322	4,322	3,111
Depreciation	-	-	-	3,226	3,226	3,201
Other office costs	-	-	-	11,845	11,845	21,569
Insurance	-	-	-	6,758	6,758	6,749
Professional fees	-	-	-	13,415	13,415	10,380
	-	5,860,691	-	640,330	6,501,021	4,149,761
Support Costs	110,093	445,204	85,033	(640,330)	-	-
Governance costs	1,459	83,574	(85,033)	-	-	-
Total expenditure 2023	111,552	6,389,469	-	-	6,501,021	
Total expenditure 2022	136,782	4,012,979	-	-		4,149,761

Governance costs include in-kind services provided by business partners, relevant staff costs, fees payable to the charity's auditors and an appropriate share of overheads.

Social Business Trust

Notes to the financial statements

For the year ended 31 May 2023

3b Total expenditure (prior year)

	Costs of raising funds £	Investment in projects £	Governance Costs £	Support Costs £	2022 Total £
Cash paid to support social enterprises	–	316,075	–	–	316,075
In-kind services provided	–	3,211,412	–	143,280	3,354,692
	–	3,527,487	–	143,280	3,670,767
Staff and recruitment costs (Note 6)	–	–	–	383,984	383,984
Property costs	–	–	–	27,858	27,858
Marketing and fundraising costs	–	–	–	7,426	7,426
Training	–	–	–	7,068	7,068
Subscriptions	–	–	–	2,049	2,049
Travel, subsistence and entertainment	–	–	–	5,599	5,599
Phone costs	–	–	–	3,111	3,111
Depreciation	–	–	–	3,201	3,201
Other office costs	–	–	–	21,569	21,569
Insurance	–	–	–	6,749	6,749
Professional fees	–	–	–	10,380	10,380
	–	3,527,487	–	622,274	4,149,761
Support Costs	132,996	374,407	114,871	(622,274)	–
Governance costs	3,786	111,085	(114,871)	–	–
Total expenditure 2022	136,782	4,012,979	–	–	4,149,761

4a Investment in projects

An analysis of cash payments and in-kind services provided during the year is set out below, by status at end of FY22:

	2023 £	2022 £
Portfolio		
Career Ready	209,506	141,271
Catch22	1,082,121	426,176
Challenge Partners	521,905	219,110
Hertfordshire Independent Living Service	228,751	851,917
Hestia	112,887	282,038
LEAP	195,506	65,263
London Early Years Foundation	351,602	325,898
RetailTRUST	170,050	583,038
SALUK	547,852	111,852
The Brilliant Club	522,719	40,955
Twining	248,540	52,903
Development Network		
Bikeworks	819,500	9,270
Brightside	31,538	67,257
British Exploring Society	10,447	9,456
City Harvest	36,189	48,434
DFN Project Search	191,442	42,048
Do it Now Now	2,187	-
Moneyline	-	5,224
Shakespeare Schools	-	736
Tempo Time Credits	-	59
UserVoice	-	26,191
Design		
Jamie's Farm	318,925	-
Mind	13,414	36,824
	5,615,081	3,345,920
Digital		
Digital	198,042	158,186
Project Rainbow (I and II)	16,227	21,027
Smart Works	1,385	-
Starlight	4,593	-
The Fore	25,363	2,354
	5,860,691	3,527,487

By the end of FY23, Hestia joined the Portfolio from SBT Design; Brightside (from Portfolio), British Exploring Society, City Harvest and DFN Project Search (from Design) joined the SBT Development Network (formerly Alumni group).

Digital comprises the Digital Impact Fund in FY23 which made cash grants to Challenge Partners, HILLS, Hestia, RetailTRUST, SALUK (formerly I CAN), The Brilliant Club and Twining. funded by a restricted donation by a business partner. In FY22, cash grants were made to Brightside, Catch22, Challenge Partners and Hestia.

Project Rainbow covers specific cash and in-kind services to support SBT portfolio members related to actions taken as a result of COVID restrictions.

4b Investment in projects (continued)

At 31 May, the estimated value of future commitments to provide cash grants and additional services was as follows:

	2023 £	2022 £
Within one year	1,090,000	790,000
Between one and two years	100,000	650,000
Total	<u>1,190,000</u>	<u>1,440,000</u>

5 Net movement in funds for the period

This is stated after charging:	2023 £	2022 £
Depreciation	3,226	3,201
Rent/workstation licence fees	30,802	27,858
Auditor's remuneration (excluding VAT):		
Audit	8,900	7,750
Trustees' remuneration	NIL	NIL
Trustees' expenses	NIL	NIL

6 Staff costs and numbers

Staff costs were as follows:	2023 £	2022 £
Salaries and fees payable	321,476	320,882
Social security costs	25,823	34,650
Pension contributions	14,881	15,552
Recruitment costs	10,800	12,900
	<u>372,980</u>	<u>383,984</u>

The following number of employees received employee benefits in excess of £60,000 (excluding employer national insurance and employer pension costs) during the year between:

	2023 No.	2022 No.
£60,000 – £69,999	–	–
£90,000 – £99,999	–	1
£100,000 – £109,999	1	–

The total employee benefits (including employer national insurance and employer pension contributions) of the key management personnel were £362,180 (2022: £371,084).

At 31 May 2023, SBT's core team consisted of 7.8 (2022: 7.7) full time equivalents, being 6 (2022: 7) employees and two (2022: two) secondees from EY. The average weekly number of employees (full-time equivalents) during the year was 5.5 (2022: 5.4).

7 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

8 Tangible fixed assets

	Office equipment £	Total £
Cost		
At start of the year	16,701	16,701
Additions in year	5,339	5,339
Disposals in year	(1,898)	(1,898)
At the end of the year	<u>20,142</u>	<u>20,142</u>
Depreciation		
At start of the year	12,846	12,846
Charge for the year	3,226	3,226
Disposals in year	(1,898)	(1,898)
At the end of the year	<u>14,174</u>	<u>14,174</u>
Net book value		
At the end of the year	<u>5,968</u>	<u>5,968</u>
At the start of the year	<u>3,855</u>	<u>3,855</u>

All of the above assets are used for charitable purposes.

9 Debtors

	2023 £	2022 £
Prepayments	9,862	8,940
Other debtors	–	–
Rent deposit	2,328	2,328
Accrued income	6,595	7,000
	<u>18,785</u>	<u>18,268</u>

10 Creditors: amounts due within one year

	2023 £	2022 £
Taxation and social security	4,920	13,095
Other creditors	11,304	15,998
	<u>16,224</u>	<u>29,093</u>

11a Restricted funds – current year

	At 1 June 2022 £	Income £	Expenditure £	At 31 May 2023 £
Digital impact fund	–	200,000	(198,042)	1,958
HBS Fund	5,766	1,750	(2,336)	5,180
Total restricted funds	<u>5,766</u>	<u>201,750</u>	<u>(200,378)</u>	<u>7,138</u>

The Digital impact fund enables immediate targeted investment in social enterprises, supporting their digital transformation so they can help more people recover from the effects of the pandemic.

The HBS Fund was established by the charity's co-founder and former Chair, Sir Damon Buffini. Its purpose is to enable senior executives from SBT's investee companies to attend a course for social entrepreneurs at Harvard Business School.

Total restricted funds at the year end (£7,138) were represented by cash. All of the charity's other assets and liabilities at 31 May 2023 represented unrestricted funds.

11b Restricted funds – prior year

	At 1 June 2021 £	Income £	Expenditure £	At 31 May 2022 £
Digital Impact fund	–	150,000	(150,000)	–
HBS Fund	4,005	7,000	(5,239)	5,766
Total restricted funds	<u>4,005</u>	<u>7,000</u>	<u>(5,239)</u>	<u>5,766</u>

12 Property commitments

Under its current arrangements at Somerset House, SBT rents a number of desks on a rolling contract with one month's notice.

13 Related party transactions

As shown in Note 4, during the year, cash and in-kind services with values of £nil (FY22£5,224), £170,050 (FY22 £583,038) and £nil (FY22 £736) were provided to Moneyline, RetailTRUST and Shakespeare Schools ("Coram SSF") respectively. Jan Coos Geesink is a trustee of Moneyline, Paul Armstrong is a trustee of RetailTRUST, and both James Hadley and Guy Davies are trustees of Coram SSF.

In accordance with SBT's normal procedures, having declared their interests, the trustees concerned took no part in the decisions to make the investments in the investee companies in which they were involved. In all cases, the remaining trustees were satisfied that the associated expenditure was appropriate and in the best interests of SBT.

14 Legal status of the charity

SBT is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

SOCIAL BUSINESS TRUST

England & Wales - Charity number 1136151

Accounts

Company number: 07242976

Charity number: 1136151

Social Business Trust

Report and Financial Statements

For the year ended 31 May 2022

Social Business Trust
Reference and administrative details
For the year ended 31 May 2022

Company number	07242976 – incorporated in the United Kingdom	
Charity number	1136151 – registered in England and Wales	
Registered office	Invicta House 108–114 Golden Lane London EC1Y 0TL	
Operational address	Room S9/10, 2 nd Floor, West Wing Somerset House London WC2R 1LA	
Trustees	Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:	
	Larissa Joy	Chair
	Paul Armstrong	Secretary and Vice Chair
	Michael Crossan	
	Guy Davies	
	Jan Coos Geesink	
	James Hadley	
	Madeleine Hale	
	Simon Milton	
	Harry Nicholson	
	Kim Rihal	appointed June 2022
Key management Personnel	Joanne Hay	Chief Executive
	Jennifer Coles	
	Alex McAleavy	
	Greg Medlock	
	Rachel Goddard	
Bankers	Royal Bank of Scotland	
Solicitors	Russell Cooke Solicitors 2 Putney Hill, London, SW15 6AB	
Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditor Invicta House 108–114 Golden Lane London EC1Y 0TL	

CHAIR'S REPORT

One of the biggest highlights of this year has been seeing at close hand how the leadership teams of the charities and social enterprises in SBT'S portfolio have seized the opportunities for innovation and reinvention during Covid. The way that these organisations have re-focussed, adapted and reinvented at speed to respond to the needs of their beneficiaries in these times of extraordinary uncertainty and adversity has been inspiring and impressive in equal measure.

Equally, our SBT business partners have risen to this challenge. Collectively, we know that the need to address systemic inequities in our society has become ever greater. The work of our portfolio in supporting their beneficiaries has never been more vital as we emerge from the pandemic and are faced with inflationary pressures and a cost-of-living crisis not seen in a generation.

It has been a record year for SBT in terms of the contributions of our partners to the SBT portfolio, with over £3.2m of in kind support drawn down from our partners for the benefit of the portfolio. We are extraordinarily fortunate to have such a committed, positive and supportive group of partners in Bain & Company, Charles Russell Speechlys, Clifford Chance, EY, Permira, Permira Credit, Refinitiv an LSEG company, Schroders and Thompson Reuters. I would like to thank our partners and all their volunteers who lend their professional skills to SBT and its portfolio – in particular the senior representatives from each organisation who make up the SBT Investment Committee – for their energy and commitment this year.

This year has been an important year of transition in the executive leadership of SBT. After almost 12 years at the helm of Social Business Trust, and following a thoughtful and considered period of transition, co-founder Adele Blakebrough stepped down from the role of SBT's CEO in April 2022. On behalf of the Board, I would like to thank Adele for her many brilliant years at the helm of SBT. As Co-founder and inaugural CEO of SBT, she has been an outstanding and dynamic leader. Adele will continue with SBT as Founder and Senior Adviser.

The Board of SBT is delighted that Joanne Hay accepted the invitation to become SBT's new CEO from 1 May 2022. Joanne joined SBT in 2019, initially as Portfolio Director, adding further responsibilities as SBT's Deputy CEO in 2021. Prior to SBT, Joanne enjoyed a distinguished career in government and the voluntary sector, most recently as CEO of Power2 and prior to this, spent over 3 years at Cabinet Office, supporting the development of the public sector mutuals market. Joanne's appointment followed a selection process in which the SBT Board was supported by the leadership and talent development team at Bain & Company, and independent external recruitment advisers. We are delighted to welcome Joanne to the role of CEO.

SBT is very fortunate to have a board of trustees who show real commitment and dedication to SBT. As a highly experienced group of individuals with a wide range of skills, they are part of what makes SBT such a special organisation and I want to thank them for all their sustained support for SBT. This year, we have been pleased to welcome Kim Rihal to the Board. Kim was recruited through an open recruitment process, and brings expertise in building a successful and award-winning social enterprise in the education sector. She has recently been awarded NatWest and Pioneers Post Wise

100 Social Business Leader of the Year, recognising her work in founding and building Equal Education, which provides specialist tutoring for looked after, adopted and SEND children across the UK.

SBT will continue to tackle social inequity by helping to leverage the power of social enterprises and charities that play a crucial role in society. The work of these businesses and charities has never been more vital. In future years we plan to continue to grow and deepen the support we provide to our portfolio, to help them increase their impact, resilience and outcomes for their own beneficiaries. The opportunity for the social sector and business to join arms to achieve this and to tackle some of society’s most intractable problems has never been greater.

Larissa Joy OBE
Chair

CEO'S REPORT

COVID-19 has exacerbated inequalities and continues to do so. Coming out of over a year of lockdowns against a backdrop of worsening economic conditions has caused a huge amount of disruption. Charities and social enterprises faced with continued uncertainty have worked tirelessly to find new and innovative ways of working.

The work of the Social Business Trust, our partners and volunteers has never been more needed or valued. Over the past year I am proud that we have been able to increase the level of support to our portfolio organisations by working in partnership with their leadership teams to help them build sustainable recovery plans and achieve even greater impact.

None of this could have happened without the energy, enthusiasm and commitment of our Chair, trustees, business partners, volunteers and SBT staff. I would like to thank everyone for all their time and efforts especially our chair Larissa Joy, OBE, who is a constant source of inspiration, bringing out the very best of SBT and with such dedication in support of our mission. I would also like to pay tribute to our Investment Committee for their time, expertise and unwavering commitment to driving impact during this record year of investments.

At its heart, SBT is a family of business partners using their professional skills to help scale and amplify the impact of charities and social enterprises working to build a more just and equitable society. We work with outstanding social enterprises in the UK who are having a profound impact on societal problems. We support them for the long-term to become more sustainable, grow and serve many more people. Reflecting our ambition to do more, we have had a record year for income, totalling £4.3m, a 15% increase on FY21.

It was also a record year of direct contribution to our social enterprises in both in-kind and cash support, £3.5m compared with £3.0m last year, a 16% increase. After a period of stabilisation during the pandemic, this increased investment reflects our commitment to help more young people thrive in education and employment; to support more people with their mental health and wellbeing, and to help the most vulnerable live independently. Major projects, above £250k in the year, included: Catch22, Hertfordshire Independent Living Service, London Early Years Foundation, Retail Trust, and Hestia.

Overall, our business partners delivered over one thousand days of professional support. The Investment Committee approved a significant increase in cash grants with multi-year grants of £659k in the year, up from £100k approved in FY21 (five investments in FY22 compared with three investments in FY21). In November 2021 SBT launched the Digital Impact Fund with a £150k grant from a business partner and one big goal: to help social enterprises accelerate their shift to digital. A panel of experts from SBT's Digital Advisory Board, selected four charities with digital transformation initiatives to support, including creating a mobile platform to help young people access jobs, and the development of a digitally enabled delivery model for frontline mental health services for highly vulnerable people.

SBT had twelve charitable organisations in the portfolio with two new entrants this year. Retail Trust, a national charity supporting the mental health and well-being of people working in the retail sector, joined the portfolio in June 2021. LEAP, helping young people manage conflict in their lives, joined the portfolio in May 2022. We also supported a number of charities in our early-stage Design programme.

We operate a lean core team, drawing on support and advice from all of our corporate partners. As a result, after cost allocations, 96% of expenditure went on investing in projects up from 94% last year.

Our core team are key to ensuring SBT achieves its goals and ambitions. I am extremely proud of the way everyone has stepped up to help develop the new strategy and to support the CEO transition while working flat out to deliver our highest-ever level of volunteer activity. Strengthening the core team with a new Investment Associate and our exceptional Senior Investment Managers is already helping to increase our social impact.

During the year, we have also had the support of excellent EY secondees who have been instrumental in supporting our strategy refresh, supporting the portfolio, and developing our professional mentoring programme which continues to go from strength to strength.

The long-awaited new CRM system is up and running which will give us access to much better data, analysis and can help us to improve how we demonstrate our impact.

It has also been a year of transition for SBT. In May 2022, I was delighted to take on the role of CEO and remain indebted to Adele Blakebrough MBE for her unwavering support and to Larissa Joy, OBE, and the rest of the Board for being so generous and open with their support.

Like most organisations emerging from the pandemic, we have refreshed our strategy. Working with our partners and with expert support from Bain, we have identified priorities and planned our next steps together. The Board unanimously approved our new strategy in June 2022, and we are now implementing the recommendations. We look to the year ahead with big ambition to achieve significantly greater impact by deepening the support we provide through stronger relationships and a full potential plan. Through this deeper support, we aim to help our portfolio organisations to significantly increase their own impact, which we are open to assessing in many different ways as part of our commitment to keep learning and growing.

Joanne Hay
Chief Executive

Key Performance Indicators

KPI	Explanation	2021/22 Performance
Total cash income (£s)	This measures the financial support that we have received during the year and determines our ability to fund core costs and to make cash grants to social enterprises.	Total cash income in the year to 31 May 2022 was £962k (2020/21: £762k). The main source of increase was a restricted grant of £150k from a business partner to fund SBT's Digital initiative. We continue to seek additional sources of cash income as this will enable us to expand our activities.
Expenditure on core costs (£s)	This measure determines how much we spend on SBT's core operations. We are looking to optimise rather than minimise this measure, as inadequate investment in core costs is a false economy.	Total expenditure on core costs in the year to 31 May 2022 was £479k (2020/21: £402k). The main increases related to further strengthening of the core team during the year.
Number of investments made	Although SBT's investment criteria are flexible, we would normally expect to restrict our investments to only support social enterprises that want to work with us to achieve 'transformation'. The number of investments made in a period should reflect this. This measure also indicates the effectiveness of our processes for identifying and processing suitable applicants.	In the year to 31 May 2022, SBT's Investment Committee approved proposals to invest in five social enterprises. Two of these were new to the portfolio, post SBT Design, and three were existing portfolio companies with exciting growth potential. All other members of the portfolio received expert support from SBT's business partners during the year, to help with specific functional areas, training and mentoring – as did certain members of the SBT Network and social enterprises new to SBT in the Design stage.
In-kind support drawn down from our business partners (£s)	This amount measures both the extent of our ability to engage our business partners and the value of the expertise provided without charge to SBT and to our investees.	By 31 May 2022, £3,355k (2020/21: £2,995k) of in-kind support had been drawn down from SBT's business partners. 96% of this amount was provided directly to our investees.
Feedback from our key stakeholders	SBT regards its investors, investees (actual and potential) and staff as its key stakeholders.	We obtain regular feedback from our investors, investees and staff. In most cases, this is extremely positive but we also welcome constructive criticism as this enables us to improve our processes. During the year, we collected feedback from volunteers on how volunteering had impacted their professional development and some shared insights with our

KPI	Explanation	2021/22 Performance
		Investment Committee. Key stakeholders gave feedback on SBT as part of an external consultation to inform our new strategy.

Financial overview

Total cash incoming resources for the year were £962,460 (2021/22: £762,122). After core costs of £478,994 (2020/21: £402,229), cash payments to investee social enterprises of £316,075 (2020/21: £199,400), and a reduction in working capital of £132,938 (2021: increase of £94,697), year-end cash balances increased by £300,789 from £567,457 at 31 May 2021 to £868,246 at 31 May 2022. These, together with future cash donations from our business partners, will enable us to meet our cash commitments to existing investees (valued at £574,511 at 31 May 2022) and make additional investments during 2022/23.

In addition to their cash donations, business advice with an estimated market value of £3,354,692 (2020/21: £2,995,214) was drawn down from our business partners and provided to SBT and its investees.

An analysis of our total 2021/22 core and in-kind expenditure of £4,149,761 shows that £3,901,894 or 94% of our resources (2021/21: 92%) was focused on our investees. The balance went on raising funds (3%) and on governance (3%) – with the latter being broadly defined to include strategic management of the charity, risk management, compliance with regulations and public reporting.

Reserves policy

Our reserves policy is risk based and reflects the trustees' belief that, after taking account of existing cash commitments to portfolio companies, the charity should maintain a minimum level of unrestricted funds equivalent to approximately three months' core costs as this would enable SBT to manage an unexpected disaster that would threaten our ability to continue as a going concern, a policy that was debated by trustees and re-confirmed during the year. At activity levels forecast for 2022/23, this implies the need to maintain a minimum level of funds of approximately £125,000 at 31 May 2022.

After deducting known cash commitments to portfolio companies, total unrestricted funds at 31 May 2022 were approximately £295,000. The excess over the minimum targeted level is regarded by the trustees as acceptable.

The trustees present their report and the audited financial statements for the year ended 31 May 2022.

For clarity and in recognition of their important roles in the governance and management of the charity, the Chair and Chief Executive have presented separate reports. These reports (for which the trustees take full responsibility) should be read as part of this report.

The reference and administrative information set out on page 1 also forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Structure and objects

The organisation is a charitable company limited by guarantee, incorporated as Scale-Up on 5 May 2010 and registered as a charity on 2 June 2010. The company's name was changed to Social Business Trust on 11 November 2010.

The company was established under a memorandum of association, which established the objects and powers of the charitable company and is governed under its articles of association.

The objects of the charity, as stated in its governing documents, are to pursue any exclusively charitable objects as the trustees in their absolute discretion think fit by any means including but not limited to providing grants or other forms of financial assistance, materials or assistance in kind. The management and governance structures in place are designed to enable this to happen.

Aims, objectives and activities

Social Business Trust ("SBT") is a partnership of leading businesses that share a common goal – to use our combined resources and experience to ensure the sustainability and help accelerate the growth of ambitious social enterprises, increasing social impact and making sustainable, positive change.

Together, SBT's business partners invest in UK social enterprises and charities with a clear social mission, a robust business model and good leadership. Our investment consists of a combination of cash grants and expert resources provided free of charge. Initially, investees are invited to join our SBT Design Programme during which we add value by working through a structured due diligence programme designed to ensure that the fundamentals for growth are in place. Subsequently, if appropriate, we contribute to projects that the investee management team "owns" and which they regard as critical to their ability to scale-up the impact of their organisation and/or to enhance their sustainability.

In all cases, we work collaboratively with management but, in accordance with best business practice, we always insist on accountability, transparency and a focus on results. Consequently, our support is usually provided in instalments, with each instalment being conditional on the achievement of certain milestones. We monitor the social impact of our investees and attempt to

estimate the social return on our investment in terms of the key performance indicators that our investees consider meaningful.

Trustees

Trustees with appropriate functional and business skills have been appointed from SBT's business partners and elsewhere. They meet as a Board at least four times a year. Trustees automatically become members of the charity. With the exception of the Chair, all trustees serve for a three-year term, after which they are eligible for re-appointment on the recommendation of the Board on such terms and for such duration as the Board may determine.

As part of their induction, the Chair and Chief Executive each hold one-to-one meetings with new trustees to ensure that they are fully versed in SBT's objectives and procedures. Updates on developments in the social sector are provided at each trustees' meeting and additional training is available to trustees on request. The names of the trustees who held office during the year are set out on page 1.

Related party transactions and conflicts of interest

Trustees are required to disclose to the Board any direct or indirect interest in a proposed or existing transaction and any other circumstances that might give rise to a conflict or potential conflict. When any such actual or potential conflicts are identified, the trustee in question plays no part in the decision on whether or not to enter into the transaction.

Transactions in which a trustee has or may have a direct or indirect interest are referred to as related party transactions. Related party transactions involving trustees are fully disclosed in the financial statements (see Note 13).

Public benefit

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set. To ensure that SBT is acting in accordance with its objects, investments are restricted to registered charities or to other not-for-profit entities where, in the opinion of the trustees, any private benefit is incidental and insignificant.

Investment Committee

The trustees have set up an Investment Committee to act as an advisory sub-committee of the Board. The Investment Committee includes one senior representative of each of SBT's business partners. Its purpose is to consider detailed investment recommendations put forward by SBT's core team and, if appropriate, recommend them to the Board for approval. Meetings of the Investment Committee take place at least four times a year, usually on the same day as Board meetings.

The current members of the Investment Committee are:

Larissa Joy (Chair)

Gemma Cotton (Bain & Company)

Michael Crossan (Clifford Chance)

Andrew Walton (EY)
Paul Armstrong (Permira)
David Hirschmann (Permira Credit)
Luke Manning (Refinitiv)
Lucinda Case (Thomson Reuters)
Peter Harrison/Louise Hosking (Schroders)

Fundraising

The charity is committed to observing all relevant fundraising regulations and codes. During the year, there was no non-compliance of these regulations and codes and the charity received no complaints relating to its fundraising practices.

Volunteers

SBT's trustees, Investment Committee members and core team are extremely grateful to the many people from SBT's business partners and other organisations who have given us and our investees the benefit of their experience and expertise during the year. SBT's accounting policies for valuing the contributions of these volunteers is set out in Note 1 to the financial statements.

Risk management

Risk exists when there is uncertainty surrounding events and their outcomes that may have a significant impact on SBT's ability to:

- Achieve its aims
- Satisfy the expectations of its stakeholders
- Operate efficiently

Risk management is the responsibility of the Board and, in recognition of this, a schedule summarising principal risks together with mitigating factors and appropriate risk management procedures is formally reviewed by the Board every two years, including in FY22. In the Board's opinion, SBT's two most significant risks can be summarised as:

- The inability to attract or retain enough key business partners to continue to provide SBT and its investees with the level of support required to achieve SBT's aims
- The unavailability or loss of key SBT team members

To a significant extent, these risks are outside the control of the Board but mitigation strategies include a relentless focus on stakeholder satisfaction, increased investment in fundraising and appropriate succession planning.

Going concern

The trustees consider that, having regard to the level of reserves and to the continuing support of SBT's business partners, there are no material uncertainties about the charitable company's ability to continue as a going concern.

Remuneration policy for key management personnel

The trustees of SBT recognise that the charity will not achieve its ambitious goals unless we are able to attract and retain a core team of key management personnel who have the experience, enthusiasm and ability to provide support and guidance to both its investee companies and to high calibre personnel from its business partners. Consequently, the ability to offer a compelling value proposition to all staff is regarded as a critical success factor.

In common with other small, entrepreneurial organisations in the charitable sector, SBT's value proposition to staff includes flexible working, supportive teamwork and significant job satisfaction from the social impact that we are helping to generate. However, remuneration is also important and, for this element of the overall reward package, our policy is to set pay and benefits at levels that are competitive for the sector and which recognise an individual's abilities, responsibilities and experience.

The remuneration of key management personnel is summarised in Note 6 of the financial statements. On a full time equivalent basis, SBT's highest paid employee is the Chief Executive and, in the year to 31 May 2022, her salary was approximately 2.1 times the average full time equivalent salary paid to other employees.

Financial review

The Chief Executive's report, which is set out on pages 4 to 9, includes a commentary on SBT's performance in the year to 31 May 2022 and a financial overview.

Plans for the future

During FY22 SBT worked with many of its stakeholders to develop and refine its strategy, and to identify key objectives over the coming three years. Our overarching ambition is to achieve significantly greater impact, far beyond what we have achieved so far. We aspire to do this by significantly deepening the support we provide and by serving a slightly larger number of organisations.

Our priorities for 2022/23 include:

- Redesign our (re)investment process to have more impact for the social enterprises we support so that they are sustainable and can increase their own impact
- Increase the calibre of external communications to build SBT's profile
- Review and develop the SBT core team to maximise its impact
- Bring new outstanding social enterprises into our portfolio

- Have a clear focus on 1) youth/education as core alongside ‘seed’ themes in 2) mental health and 3) elderly care – while remaining sector-agnostic overall and retaining flexibility to explore other themes opportunistically
- Work exclusively with business-minded organisations that have strong potential to scale sustainably

Statement of responsibilities of the trustees

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

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

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgments and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation

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

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 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.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantors at 31 May 2022 was 9

(2021: 9). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Auditor

Sayer Vincent LLP was re-appointed as the company's auditor during the period and has expressed its willingness to continue in that capacity.

The trustees' annual report which includes the Chair's and Chief Executive's report was approved by the trustees on 6 September 2022 and signed on their behalf by:

Paul Armstrong – Secretary

Independent auditor's report

To the members of

Social Business Trust

Opinion

We have audited the financial statements of Social Business Trust (the 'charitable company') for the year ended 31 May 2022 which comprise the statement of financial activities, balance sheet, statement of cash flows 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 charitable company's affairs as at 31 May 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 Social Business Trust'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 trustees' 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' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions

Independent auditor's report

To the members of

Social Business Trust

in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:

Independent auditor's report

To the members of

Social Business Trust

- Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Independent auditor's report

To the members of

Social Business Trust

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.

Judith Miller (Senior statutory auditor)

26 September 2022

for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108–114 Golden Lane, LONDON, EC1Y 0TL

Social Business Trust

Statement of Financial Activities *(incorporating an Income and Expenditure Account)*

For the year ended 31 May 2022

	Note	Unrestricted £	Restricted £	2022 Total £	Unrestricted £	Restricted £	2021 Total £
Income from:							
Donations	2	4,159,697	157,000	4,316,697	3,757,222	–	3,757,222
Bank interest and sundry income		455	–	455	114	–	114
Total income		4,160,152	157,000	4,317,152	3,757,336	–	3,757,336
Expenditure on:							
Raising funds		136,782	–	136,782	179,059	–	179,059
Charitable activities							
Investment in projects		3,857,740	155,239	4,012,979	3,417,784	–	3,417,784
Total expenditure	3	3,994,522	155,239	4,149,761	3,596,843	–	3,596,843
Net income for the year and net movement in funds	5	165,630	1,761	167,391	160,493	–	160,493
Reconciliation of funds							
Total funds brought forward		689,881	4,005	693,886	529,388	4,005	533,393
Total funds carried forward		855,511	5,766	861,277	689,881	4,005	693,886

Movements in restricted funds are detailed in note 11

All of the above results are derived from continuing activities. There were no other recognised gains or losses in either year other than those stated above.

Social Business Trust

Balance sheet

Company no. 07242976

31 May 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible fixed assets	8	3,855	4,316
Current assets			
Debtors	9	18,268	137,379
Short term deposits		250,432	–
Cash at bank and in hand		617,815	567,457
		<u>886,515</u>	<u>704,836</u>
Liabilities			
Creditors: amounts due within one year	10	<u>(29,093)</u>	<u>(15,266)</u>
Net current assets		<u>857,422</u>	<u>689,570</u>
Net assets		<u>861,277</u>	<u>693,886</u>
The funds of the charity			
Unrestricted general funds		855,511	689,881
Restricted funds	11	<u>5,766</u>	<u>4,005</u>
Total charity funds		<u>861,277</u>	<u>693,886</u>

Approved by the trustees on 6 September 2022 and signed on their behalf by:

Harry Nicholson
Trustee

Social Business Trust

Statement of Cash Flows

For the year ended 31 May 2022

	2022 Total £	2021 Total £
Net income for the year	167,391	160,493
Depreciation	3,201	2,483
Loss on disposal of fixed assets	1	–
Decrease/(increase) in debtors	119,111	(95,146)
Increase in creditors	13,827	449
Net cash provided by operating activities	303,531	68,279
Cash flows from investing activities:		
Purchase of fixed assets	(2,741)	(1,434)
Net cash used in investing activities	(2,741)	(1,434)
Change in cash and cash equivalents in the year	300,790	66,845
Cash and cash equivalents at the beginning of the year	567,457	500,612
Cash and cash equivalents at the end of the year	868,247	567,457

Analysis of cash and cash equivalents

	At 1 June 2021 £	Cash flows £	At 31 May 2022 £
Cash at bank and in hand	567,457	50,358	617,815
Short term deposits	–	250,432	250,432
Total	567,457	300,790	868,247

1 Accounting policies

a) Statutory information

Social Business Trust ("SBT") is a charitable company limited by guarantee and incorporated in the United Kingdom.

The registered office address is Invicta House, 108–114 Golden Lane, London, EC1Y 0TL.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. 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 nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that, having regard to the level of reserves and to the continuing support of SBT's business partners, there are no material uncertainties about the charitable company's ability to continue as a going concern. Further details can be found in the trustees' annual report.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period. Similarly, the trustees do not believe that they have made any key judgements which have had a significant effect on the accounts.

e) Income

Donations consist of cash donations and services provided "in-kind" (i.e. without charge) to SBT or its investees by SBT's business partners. Cash donations are included in full in the statement of financial activities when receivable and, when appropriate, include Gift Aid receivable from HMRC. In-kind donations are recognised as income when the services in question are provided and are valued by the trustees of SBT at a prudent estimate of the market value of those services.

1 Accounting policies (continued)

f) Expenditure and irrecoverable VAT

Expenditure is recognised in the period in which it is incurred and includes attributable VAT as this cannot be recovered.

SBT has the following three core processes:

1. Raising funds

Associated activities include profile raising, identifying potential business partners and/or individual donors, enlisting support from and managing relationships with those partners/donors and organising fundraising events.

2. Investment in projects

Associated activities include market research, screening applicants, detailed due diligence, project definition, project delivery and monitoring progress.

3. Governance

Associated activities include strategic management of the charity, risk management, internal control, administration, compliance with regulations and public reporting.

g) Allocation of support costs

Cash grants and the value of in-kind services provided by SBT's core team and its business partners to other organisations are allocated directly to investment in projects. All other costs are initially allocated to support costs and then re-allocated to SBT's three core processes – either directly or on the basis of the most appropriate cost driver. In the case of staff costs, the cost driver is the amount of time spent by an individual team member on a particular process. For all other indirect costs, re-allocation is based on the following percentages which themselves are derived from the trustees' estimate of the percentage of total time spent by the core team on each of the three core processes:

Raising funds	18.3%
Investment in projects	66.3%
Governance	15.4%

Governance costs are then reallocated to the other two processes in proportion to their total direct and indirect costs.

h) Grants payable

Cash grants payable to other organisations are charged to the statement of financial activities when conditions have been met for payment. Where grants are payable by instalments, each instalment is conditional on the organisation in question meeting SBT's requirements. Expenditure is only recognised when these conditions are met. Where conditions have not yet been met, outstanding payments are shown as future commitments.

1 Accounting policies (continued)

i) Donations of gifts, services and facilities

Services provided without charge by SBT's business partners to SBT or to other organisations are recognised as resources expended (and as voluntary income) when the services are provided and are valued by the trustees of SBT at a prudent estimate of the market value of those services. Additional services that SBT has agreed to provide to other organisations but which have not yet been provided are valued on the same basis and shown as future commitments.

Services provided without charge to SBT by trustees, Investment Committee members, other individual volunteers and external organisations (other than SBT's business partners) are not recognised as resources expended (or as voluntary income) but are acknowledged in the trustees' report.

j) Tangible fixed assets

Depreciation is provided at a rate calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates currently in use are as follows:

Office equipment	3 years
------------------	---------

Items of equipment are capitalised when the purchase price exceeds £250. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

k) Operating leases

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the Statement of Financial Activities on a straight line basis over the term of the lease.

l) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

m) Pensions

Contributions payable by SBT to the company's defined contribution pension scheme are recognised in the period to which they relate.

n) Fund accounting

Unrestricted funds are derived from donations and other incoming resources received or generated for general charitable purposes. Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure incurred in connection with these purposes is charged to the relevant fund together, when appropriate, with a fair allocation of management and support costs.

o) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

p) Cash at bank and in hand

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

1 Accounting policies (continued)

q) Short term

Short term deposits includes cash balances that are invested in accounts with a maturity date of between 3 and 12 months.

r) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

2 Donations

	2022 Total £	2021 Total £
Cash donations from business partners	955,000	762,000
In-kind services provided by business partners	3,354,692	2,995,214
Cash donations from individuals and corporate entities	7,005	8
Total	<u>4,316,697</u>	<u>3,757,222</u>

In 2022, £150,000 of cash donations were restricted to the Digital Impact Fund, and £7,000 restricted to the HBS CEO programme.

Social Business Trust

Notes to the financial statements

For the year ended 31 May 2022

3a Total expenditure (current year)

	Costs of raising funds £	Investment in projects £	Governance Costs £	Support Costs £	2022 Total £	2021 Total £
Cash paid to support social enterprises	-	316,075	-	-	316,075	199,400
In-kind services provided	-	3,211,412	-	143,280	3,354,692	2,995,214
	-	3,527,487	-	143,280	3,670,767	3,194,614
Staff and recruitment costs (Note 6)	-	-	-	383,984	383,984	333,090
Property costs	-	-	-	27,858	27,858	27,495
Marketing and fundraising costs	-	-	-	7,426	7,426	3,981
Training	-	-	-	7,068	7,068	446
Subscriptions	-	-	-	2,049	2,049	2,057
Travel, subsistence and entertainment	-	-	-	5,599	5,599	973
Phone costs	-	-	-	3,111	3,111	3,180
Depreciation	-	-	-	3,201	3,201	2,483
Other office costs	-	-	-	21,569	21,569	14,396
Insurance	-	-	-	6,749	6,749	5,308
Professional fees	-	-	-	10,380	10,380	8,820
	-	3,527,487	-	622,274	4,149,761	3,596,843
Support Costs	132,996	374,407	114,871	(622,274)	-	-
Governance costs	3,786	111,085	(114,871)	-	-	-
Total expenditure 2022	136,782	4,012,979	-	-	4,149,761	
Total expenditure 2021	179,059	3,417,784	-	-		3,596,843

Governance costs include in-kind services provided by business partners, relevant staff costs, fees payable to the charity's auditors and an appropriate share of overheads.

Social Business Trust

Notes to the financial statements

For the year ended 31 May 2022

3b Total expenditure (prior year)

	Costs of raising funds £	Investment in projects £	Governance Costs £	Support Costs £	2021 Total £
Cash paid to support social enterprises	–	199,400	–	–	199,400
In-kind services provided	–	2,835,839	–	159,375	2,995,214
	–	3,035,239	–	159,375	3,194,614
Staff and recruitment costs (Note 6)	–	–	–	333,090	333,090
Property costs	–	–	–	27,495	27,495
Marketing and fundraising costs	–	–	–	3,981	3,981
Training	–	–	–	446	446
Subscriptions	–	–	–	2,057	2,057
Travel, subsistence and entertainment	–	–	–	973	973
Phone costs	–	–	–	3,180	3,180
Depreciation	–	–	–	2,483	2,483
Other office costs	–	–	–	14,396	14,396
Insurance	–	–	–	5,308	5,308
Professional fees	–	–	–	8,820	8,820
	–	3,035,239	–	561,604	3,596,843
Support Costs	173,789	281,952	105,863	(561,604)	–
Governance costs	5,270	100,593	(105,863)	–	–
Total expenditure 2021	179,059	3,417,784	–	–	3,596,843

4 Investment in projects

An analysis of cash payments and in-kind services provided during the year is set out below, by status at end of FY22:

	2022 £	2021 £
Portfolio		
Brightside	67,257	62,703
Career Ready	141,271	248,114
Catch22	426,176	639,774
Challenge Partners	219,110	145,387
Hertfordshire Independent Living Service	851,917	213,324
ICAN	111,852	46,221
LEAP	65,263	48,000
London Early Years Foundation	325,898	204,292
RetailTRUST	583,038	6,571
The Brilliant Club	40,955	676,113
Twining	52,903	139,946
Alumni		
Bikeworks	9,270	17,946
Moneyline	5,224	95,846
Shakespeare Schools	736	–
Tempo Time Credits	59	33,843
UserVoice	26,191	52,174
Design		
BELU	–	24,286
British Exploring Society	9,456	–
City Harvest	48,434	–
DFN Project Search	42,048	–
Hestia	282,038	–
Mind	36,824	–
Refetorrio Felix	–	19,614
TeachFirst	–	17,143
The Orchard Project	–	6,643
	3,345,920	2,697,940
Digital		
Digital	158,186	296,644
Project Rainbow (I and II)	21,027	40,655
The Fore	2,354	–
	3,527,487	3,035,239

By the end of FY22, LEAP and RetailTRUST moved from SBT Design to Portfolio; Moneyline and User Voice joined the SBT Alumni group.

The in-kind services delivered to Hestia included the SBT Design stage and further strategy related support, that in part developed a template that will be used on future Design engagements.

Digital comprises the Digital Impact Fund in FY22 which made cash grants to Brightside, Catch22, Challenge Partners and Hestia, funded by a restricted donation from a business partner. In FY21, expenditure comprises the in-kind survey and digital diagnostic across the SBT portfolio and development of a digital toolkit.

Project Rainbow covers specific cash and in-kind services to support SBT portfolio members during COVID restrictions over the past two years.

In FY22, SBT piloted a relationship with The Fore whereby SBT sources volunteers from its business partners to support opportunities identified by The Fore.

4 Investment in projects (continued)

At 31 May, the estimated value of future commitments to provide cash grants and additional services was as follows:

	2022 £	2021 £
Within one year	790,000	740,000
Between one and two years	650,000	–
Total	<u>1,440,000</u>	<u>740,000</u>

5 Net movement in funds for the period

This is stated after charging:	2022 £	2021 £
Depreciation	3,201	2,483
Rent/workstation licence fees	27,858	27,495
Auditor's remuneration (excluding VAT):		
Audit	7,750	7,350
Trustees' remuneration	NIL	NIL
Trustees' expenses	NIL	NIL

6 Staff costs and numbers

Staff costs were as follows:	2022 £	2021 £
Salaries and fees payable	320,882	294,593
Social security costs	34,650	28,893
Pension contributions	15,552	9,330
Recruitment costs	12,900	274
	<u>383,984</u>	<u>333,090</u>

The following number of employees received employee benefits in excess of £60,000 (excluding employer national insurance and employer pension costs) during the year between:

	2022 No.	2021 No.
£60,000 – £69,999	–	1
£90,000 – £99,999	1	1

The total employee benefits (including employer national insurance and employer pension contributions) of the key management personnel were £371,084 (2021: £332,816).

At 31 May 2022, SBT's core team consisted of 7.7 (2021: 5.9) full time equivalents, being 7 (2021: 6) employees and two (2021: one) secondees from EY. The average weekly number of employees (full-time equivalents) during the year was 5.4 (2021: 4.2).

7 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

8 Tangible fixed assets

	Office equipment £	Total £
Cost		
At start of the year	17,840	17,840
Additions in year	2,741	2,741
Disposals in year	(3,880)	(3,880)
At the end of the year	16,701	16,701
Depreciation		
At start of the year	13,524	13,524
Charge for the year	3,201	3,201
Disposals in year	(3,879)	(3,879)
At the end of the year	12,846	12,846
Net book value		
At the end of the year	3,855	3,855
At the start of the year	4,316	4,316

All of the above assets are used for charitable purposes.

9 Debtors

	2022 £	2021 £
Prepayments	8,940	8,721
Other debtors	–	24,248
Rent deposit	2,328	4,410
Accrued income	7,000	100,000
	18,268	137,379

10 Creditors: amounts due within one year

	2022 £	2021 £
Taxation and social security	13,095	7,655
Other creditors	15,998	7,611
	29,093	15,266

11a Restricted funds – current year

	At 1 June 2021 £	Income £	Expenditure £	At 31 May 2022 £
Digital impact fund	–	150,000	(150,000)	–
HBS Fund	4,005	7,000	(5,239)	5,766
Total restricted funds	4,005	157,000	(155,239)	5,766

The Digital impact fund will enable immediate targeted investment in social enterprises, supporting their digital transformation so they can help more people recover from the effects of the pandemic.

The HBS Fund was established by the charity's co-founder and former Chair, Sir Damon Buffini. Its purpose is to enable senior executives from SBT's investee companies to attend a course for social entrepreneurs at Harvard Business School.

Total restricted funds at the year end (£5,766) were represented by cash. All of the charity's other assets and liabilities at 31 May 2022 represented unrestricted funds.

11b Restricted funds – prior year

	At 1 June 2020 £	Income £	Expenditure £	At 31 May 2021 £
HBS Fund	4,005	–	–	4,005
Total restricted funds	4,005	–	–	4,005

12 Property commitments

Under its current arrangements at Somerset House, SBT rents a number of desks on a rolling contract with one month's notice.

13 Related party transactions

As shown in Note 4, during the year, cash and in-kind services with values of £5,224 (FY21 £95,846), £583,038 (FY21 £6,571) and £736 (FY21 £nil) were provided to Moneyline, RetailTRUST and Shakespeare Schools ("Coram SSF") respectively. Jan Coos Geesink is a trustee of Moneyline, Paul Armstrong is a trustee of RetailTRUST, and both James Hadley and Guy Davies are trustees of Coram SSF.

In accordance with SBT's normal procedures, having declared their interests, the trustees concerned took no part in the decisions to make the investments in the investee companies in which they were involved. In all cases, the remaining trustees were satisfied that the associated expenditure was appropriate and in the best interests of SBT.

14 Legal status of the charity

SBT is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

SOCIAL BUSINESS TRUST

England & Wales - Charity number 1136151

Accounts

Company number: 07242976

Charity number: 1136151

Social Business Trust

Report and Financial Statements

For the year ended 31 May 2021

Social Business Trust

Reference and administrative details

For the year ended 31 May 2021

Company number	07242976 – incorporated in the United Kingdom	
Charity number	1136151 – registered in England and Wales	
Registered office	Invicta House 108–114 Golden Lane London EC1Y 0TL	
Operational address	Room S9/10, 2 nd Floor, West Wing Somerset House London WC2R 1LA	
Trustees	Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:	
	Larissa Joy	Chair
	Paul Armstrong	Secretary
	Michael Crossan	
	Tim Curry	Resigned 9 September 2020
	Guy Davies	
	Jan Coos Geesink	
	James Hadley	
	Madeleine Hale	Appointed 9 September 2020
	Simon Milton	
	Harry Nicholson	Appointed 9 September 2020
Key management personnel	Adele Blakebrough	Chief Executive
	Joanne Hay	
	Rachel Goddard	
	Alex McAleavy	
	Jennifer Coles	
	Viki Taylor	
Bankers	Royal Bank of Scotland	
Solicitors	Russell Cooke Solicitors 2 Putney Hill, London, SW15 6AB	

Social Business Trust

Reference and administrative details

For the year ended 31 May 2021

Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditor Invicta House 108-114 Golden Lane London EC1Y 0TL
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CHAIR'S REPORT

The Covid-19 pandemic has shone a spotlight on the role of the social sector in maintaining a stronger, fairer civil society. The past 12 months have been challenging and at times have brought great hardship – but challenging times call for ingenuity, creativity and resilience. At SBT, we are proud of the way our portfolio organisations have adapted to the uncertain external environment. We have always been committed to 'being in for the long haul' with our portfolio organisations and at SBT we feel privileged to stand shoulder to shoulder with the leaders of our portfolio organisations and their teams as they navigate seemingly impossible challenges and emerge stronger.

This year has seen significant investments of time, resources and cash in organisations such as Challenge Partners, Hertfordshire Independent Living Service, London Early Years Foundation, Moneyline, The Brilliant Club and Twining Enterprise. In our continued quest to further build the number of organisations and beneficiaries SBT can support, we were also delighted to welcome Career Ready and Catch-22 as new entrants into the portfolio this year. SBT's Investment Committee met more regularly than usual this year, not only to support the existing portfolio, but also to assess a greater than usual number of new potential social enterprises and charities and to hear directly from the beneficiaries of the organisations SBT supports about their experiences during Covid-19. During 2020/2021 we have continued to strengthen our own financial resilience and future sustainability. SBT was fortunate to benefit from the support of Bain & Company in developing our 2020–2024 strategy. This, alongside our core mission, remains our guiding focus and we look forward to reviewing progress against it at the mid-way point during the coming year. Consistent with that strategy, we have sought, carefully and selectively, to expand and further strengthen our group of valued and trusted business partners.

SBT was therefore delighted to welcome Schroders plc into the SBT fold as a valued corporate partner in early 2021. I would like to pay tribute in particular to Schroders CEO Peter Harrison and Chief of Staff Louise Hosking for their leadership in advancing the dialogue with SBT and making relevant links across their organisation to set the foundation stones for this new relationship. We are greatly looking forward to developing our relationship with them in 2021/22 and subsequent years.

The strength of SBT's model owes much to our business partners – a collective that in this financial year provided an estimated £3million worth of the highest quality professional skills to our social enterprises and charities. But in equal measure, SBT brings together a group of individuals who enjoy collaborating to support SBT's vision. I want to thank our partners Bain & Company, Charles Russell Speechlys, Clifford Chance, EY, Permira, Permira Credit, Refinitiv, Schroders and Thomson Reuters – and the senior representatives from each organisation who make up the SBT Investment Committee – for everything that they do for us and the SBT portfolio. Maintaining and strengthening our pool of high-quality business partners remains a key strategic priority.

SBT is very fortunate to have a board of trustees who show real commitment and dedication to SBT. As a highly experienced group of individuals with a wide range of skills, they are part of what makes SBT such a special organisation and I want to thank them for all their sustained support for SBT.

Report of the trustees – Chair’s Report

For the year ended 31 May 2021

This year, in addition to the arrival of new Trustee Harry Nicholson, we have been pleased to welcome Madeleine Hale to the Board. Both were recruited through open recruitment processes. As with many organisations, we are reviewing SBT’s commitment to diversity and inclusion in all its facets and look forward to developing this further in 2021/22. Madeleine brings expertise in communications, digital and understanding and developing stakeholder relationships, as well as experience of working in social housing and central Government. Harry Nicholson brings a wealth of executive and non-executive experience in fast-growth business sectors and technology-led change and SBT is delighted that Harry has accepted the role of Trustee Treasurer.

Paul Armstrong has been involved with SBT ever since SBT began over 11 years ago, and in addition to his roles as Investment Committee member, Trustee and Vice Chair, Paul also led the charge this year in re-forming our SBT Rainbow Rapid Response team. I would like to personally thank Paul for his wise counsel, sage advice and for his unstinting service to SBT and for his personal support in this most challenging year.

SBT’s co-founder and CEO, Adele Blakebrough MBE continues to lead the talented staff in the SBT team with unwavering commitment to the social enterprises in the portfolio. I would like to thank Adele for her leadership of SBT. Adele and the Board are pleased to have appointed SBT’s Portfolio Director, Joanne Hay, as Deputy CEO this year and Joanne is working closely with Adele to support and guide the SBT staff team in line with our 2020–2024 strategy. In particular, Joanne is leading some very exciting work in building SBT’s digital internal and advisory capabilities to ensure that SBT can support the portfolio organisations in their ongoing and dynamic work to develop digital technologies to enhance their impact on their beneficiaries.

There has never been a better opportunity for the social sector and business to join arms to tackle some of society’s most intractable problems. Working with its partners and vibrant portfolio of social enterprises, SBT is committed to continue to play an active role in addressing this challenge.

Larissa Joy – Chair

CEO'S REPORT

It is hard to believe that the 2021 Annual Report still leads with us grappling against the devastating effects of the Covid-19 pandemic despite the vast roll out of the vaccine programme. The work of the Social Business Trust, our partners and volunteers has never been more needed or appreciated. As happened at the start of the pandemic in 2020 the unwavering commitment of our Chair, trustees, business partners, volunteers and SBT staff to help our charities and social enterprises to serve those most in need has not only continued but strengthened. I'd like to thank everyone for all their efforts during this time especially our chair Larissa Joy who is a constant source of inspiration and shows the highest levels of commitment and dedication in her support of SBT.

I would also like to pay tribute to our social enterprises and charities that have not only survived during this period but have found new and innovative ways of supporting some of the most vulnerable people in the UK that they seek to serve.

If it is true that "necessity is the mother of invention" then our charitable organisations have embraced the challenges with energy, determination and creativity. It has been inspiring to witness how they have adapted to the virtual world. In particular their use of technology to overcome barriers created by the lack of face-to-face contact has been impressive. Much of what has been learnt this year will become the bedrock of how they work in the future. This year our business partners have made an especial and invaluable contribution to helping our social enterprises adapt to this use of technology. The technology support was kicked off with a session on "Digital Transformation and Business Modelling in a crisis" and grew into the ongoing Digital Advisory Board made up of senior experts from all our business partners to support and advise our social sector organisations.

Our mission remains true. We continually seek out outstanding social enterprises in the UK who are having a profound impact on societal problems. We support them, enabling them to become more sustainable, grow and serve many more people. One measure we set ourselves at the beginning of SBT in 2010 was to serve a million beneficiaries through the growth of our charities and social enterprises by 2016. Having achieved that milestone in 2016 we set ourselves a new target to help a cumulative three million people by the end of 2021, using the expertise of our top business people to help our great portfolio social enterprises to grow.

Last year we were delighted to report that we had reached 2.7 million people and despite the pandemic that figure now stands at 3.1 million.

The number of volunteers has reached an impressive 262 this year, an increase of 5% on the 250 volunteers in FY20.

Organisation

Our core team are key to ensuring SBT achieves its goals and ambitions. In line with our five year strategy we have strengthened our portfolio team this year with the addition of Alex McAleavy and Jennifer Coles as fulltime Investment Managers. They are already helping us to increase our social

Report of the trustees – CEO's Report

For the year ended 31 May 2021

impact. We have always prided ourselves on an ability to “punch above our weight” and I’d like to thank the team for helping us to continue in this vein especially this year.

Joanne Hay became my Deputy adding to her Portfolio Director role and I’m indebted to her for all her hard work, energy and enthusiasm.

After 4 years of outstanding service Stanislas Faure our Director of Corporate Partnerships and Operations stepped down to face a new challenge in one of our social enterprises. We are grateful for all he has done for SBT.

Viki Taylor continues to lead our communication activities. This year she has done a sterling job bringing to life our impact through stories and news items as well as creating a series of podcasts to celebrate our 10 year anniversary alongside our Decade of Difference report. Work on the website refresh has begun and is due to be completed by the Autumn.

Rachel Goddard, our longest serving team member, continues to provide excellent support as our Operations Manager. As well as all the ongoing SBT activities she has engaged with, she has also helped the team adapt to home working and negotiated our office move from the Charity Hub at Cannon Street, which has closed due to Covid, to Somerset House.

During the year, we have also had the support of two excellent EY secondees, Anthony Chandler and Laura Koepke, who were instrumental in supporting our portfolio through Covid and helping SBT develop.

As in the previous year we’ve been delighted to have been supported by Kekst CNC in the development of our new website. We’re hugely grateful to Kantar Public who provided invaluable advice on our Decade of Difference report and continue to support SBT to implement a new impact measurement framework.

Business Partners

As Larissa our Chair has reported the addition of Schrodgers to our corporate partner group has been a particular highlight of FY21. They are already making a big difference mentoring and volunteering their expertise to help our portfolio charities and contributing to our Covid response through SBT Rainbow 2. In June, five SBT charities benefited from an Innovation event as part of Schrodgers’ Collective Action month.

We always work closely with Permira as our cornerstone founding partner, and The Permira Foundation. Permira were instrumental in the creation of Rainbow 1 in 2020 as part of our response to Covid. In January 2021 Rainbow 2 was reinstated to help organisations on our portfolio with Covid recovery.

SBT Rainbow 2

Between January and April 2021, Rainbow 2 focused on enabling the SBT portfolio to further support the most vulnerable in society, who have been most affected by the Covid-19 pandemic by for example: providing laptops and digital skills training to pupils in alternative education who have struggled to access online resources, creating online learning programmes for children with speech and language difficulties, and procuring PPE and testing kits so our portfolio charities could deliver vital services to those in most need. Overall, 28 volunteers from six of our corporate partners helped to award over £100k of cash grants.

Digital

Digital technologies are transforming the way that all organisations operate. The Covid-19 pandemic has only accelerated this trend, as organisations have had to move to operating predominantly in a virtual environment. In response SBT set up a Digital Advisory Board to guide how best to support the portfolio. A digital diagnostic carried out by Bain during the year identified several capability gaps and opportunities across the SBT portfolio which has led to several in-kind digital projects. SBT is strengthening its focus on digital support in FY22.

Investments

“Working with SBT has really allowed us to lean into our mission in the current moment and think longer term. It's easy to mortgage that off when you're in a crisis, but the SBT relationship and our investment manager Sophie's stewardship has helped us to keep a view on the long term as well as responding to those immediate priorities.”

Anne-Marie Canning
CEO, The Brilliant Club

During the year under review, SBT held five Investment Committee meetings which gave cash and in-kind support to charities and social enterprises to the value of approximately £3 million (2019/20: £2.9 million). Those in our portfolio this year were: Brightside, Challenge Partners, Career Ready, Catch-22, Hertfordshire Independent Living Service, I CAN, London Early Years Foundation, Moneyline, The Brilliant Club, Twining Enterprise and User Voice.

Career Ready joined the portfolio in December 2020. They are a national charity at the heart of a network of educators and employers, who believe every young person deserves the opportunity of a fulfilling and rewarding future. They have 5,000 volunteers annually who deliver a range of careers focused programmes in 400 schools and colleges.

Catch-22 joined the portfolio in January 2021. They are a social education business working with young people at every age of the social welfare cycle. Work programmes covers five main

Report of the trustees – CEO's Report

For the year ended 31 May 2021

areas (Justice, Education, Vocational training and employability, children and families and national citizen service).

Key Performance Indicators

KPI	Explanation	2020/21 Performance
Total cash income (£s)	This measures the financial support that we have received during the year and determines our ability to fund core costs and to make cash grants to social enterprises.	Total cash income in the year to 31 May 2021 was £762,122. (2019/20: £571,913). Donations from our business partners grew by just over £200,000 due to increased commitments from existing and new business partners. We continue to seek additional sources of cash income as this will enable us to expand our activities.
Expenditure on core costs (£s)	This measure determines how much we spend on SBT's core operations. We are looking to optimise rather than minimise this measure, as inadequate investment in core costs is a false economy.	Total expenditure on core costs in the year to 31 May 2021 was £402,229 (2020: £402,147). The core team was strengthened during the year while core costs were flat overall due to savings in rent and other costs resulting from Covid-related working rules.
Number of investments made	Although SBT's investment criteria are flexible, we would normally expect to restrict our investments to only support social enterprises that want to work with us to achieve 'transformation'. The number of investments made in a period should reflect this. This measure also indicates the effectiveness of our processes for identifying and processing suitable applicants.	In the year to 31 May 2021, SBT's Investment Committee approved proposals to invest in four social enterprises. Two of these were new to the portfolio, and two were existing portfolio companies with exciting growth potential. All other members of the portfolio received expert support from SBT's business partners during the year, to help with specific functional areas, training and mentoring – as did certain members of the SBT Alumni network and social enterprises in the Design stage.
In-kind support drawn down from our business partners (£s)	This amount measures both the extent of our ability to engage our business partners and the value of the expertise provided without charge to SBT and to our investees.	By 31 May 2021, £2,995,214 (2020: £2,878,071) of in-kind support had been drawn down from SBT's business partners. 95% of this amount (£2,835,839) was provided directly to our investees.

Report of the trustees – CEO's Report

For the year ended 31 May 2021

KPI	Explanation	2020/21 Performance
Number of people helped by our investees	This is a simple proxy measure of the social impact of our investments.	During 2020/21, our portfolio of social enterprises directly impacted approximately 380,000 people. The cumulative number of people impacted since the creation of SBT at 31 May 2021 is 3.1 million
Feedback from our key stakeholders	SBT regards its investors, investees (actual and potential) and staff as its key stakeholders.	We obtain regular feedback from our investors, investees and staff. In most cases, this is extremely positive but we also welcome constructive criticism as this enables us to improve our processes. During the year, staff from our business partners attended a number of Investment Committee meetings and provided insights into how their volunteering had impacted their professional development.

Financial overview

Total cash incoming resources for the year were £762,122 (2020: £571,913). After core costs of £402,229 (2020: 402,147) and cash payments to investee social enterprises of £199,400 (2020: £151,237), the net inflow of funds was £160,493 (2020: £18,529).

The timing of certain cashflows after year end led to an increase in working capital of £94,697 (2020: £31,201), and an increase in year-end cash balances of £66,845. Cash balances at 31 May 2021 were £567,457. These, together with future cash donations from our business partners, will enable us to meet our cash commitments to existing investees (valued at £152,390 at 31 May 2021) and make additional investments during 2021/22. In addition to their cash donations, business advice with an estimated market value of £2,995,214 (2020: £2,878,081) was drawn down from our business partners and provided to SBT and its investees.

An analysis of our total 2020/21 core and in-kind expenditure of £3,596,843 shows that approximately 92% of our resources (£3,317,191) was focused on our investees. The balance went on raising funds (£173,789) and on governance (£105,863) – with the latter being broadly defined to include strategic management of the charity, risk management, compliance with regulations and public reporting.

Reserves policy

Our reserves policy is risk based and reflects the trustees' belief that, after taking account of existing cash commitments to portfolio companies, the charity should maintain a minimum level of unrestricted funds equivalent to approximately three months' core costs as this would enable SBT to manage an unexpected disaster that would threaten our ability to continue as a going concern. At activity levels forecast for 2021/22, this implies the need to maintain a minimum level of funds of approximately £125,000 at 31 May 2021.

Social Business Trust

Report of the trustees – CEO's Report

For the year ended 31 May 2021

After deducting known cash commitments to portfolio companies, total unrestricted funds at 31 May 2020 were approximately £415,000. The excess over the minimum targeted level is regarded by the trustees as acceptable.

Adele Blakebrough MBE – Chief Executive

Report of the trustees

For the year ended 31 May 2021

The trustees present their report and the audited financial statements for the year ended 31 May 2021.

For clarity and in recognition of their important roles in the governance and management of the charity, the Chair and Chief Executive have presented separate reports. These reports (for which the trustees take full responsibility) should be read as part of this report.

The reference and administrative information set out on page 1 also forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Structure and objects

The organisation is a charitable company limited by guarantee, incorporated as Scale-Up on 5 May 2010 and registered as a charity on 2 June 2010. The company's name was changed to Social Business Trust on 11 November 2010.

The company was established under a memorandum of association, which established the objects and powers of the charitable company and is governed under its articles of association.

The objects of the charity, as stated in its governing documents, are to pursue any exclusively charitable objects as the trustees in their absolute discretion think fit by any means including but not limited to providing grants or other forms of financial assistance, materials or assistance in kind. The management and governance structures in place are designed to enable this to happen.

Aims, objectives and activities

Social Business Trust ("SBT") is a partnership of leading businesses that share a common goal – to use our combined resources and experience to ensure the sustainability and help accelerate the growth of ambitious social enterprises, increasing social impact and making sustainable, positive change.

Together, SBT's business partners invest in UK social enterprises and charities with a clear social mission, a robust business model and good leadership. Our investment consists of a combination of cash grants and expert resources provided free of charge. Initially, investees are invited to join our SBT Design Programme during which we add value by working through a structured due diligence programme designed to ensure that the fundamentals for growth are in place. Subsequently, if appropriate, we contribute to projects that the investee management team "owns" and which they regard as critical to their ability to scale-up the impact of their organisation and/or to enhance their sustainability.

Report of the trustees

For the year ended 31 May 2021

In all cases, we work collaboratively with management but, in accordance with best business practice, we always insist on accountability, transparency and a focus on results. Consequently, our support is usually provided in instalments, with each instalment being conditional on the achievement of certain milestones. We monitor the social impact of our investees and attempt to estimate the social return on our investment in terms of the key performance indicators that our investees consider meaningful.

Trustees

Trustees with appropriate functional and business skills have been appointed from SBT's business partners and elsewhere. They meet as a Board at least four times a year. Trustees automatically become members of the charity. With the exception of the Chair, all trustees serve for a three-year term, after which they are eligible for re-appointment on the recommendation of the Board on such terms and for such duration as the Board may determine.

As part of their induction, the Chair and Chief Executive each hold one-to-one meetings with new trustees to ensure that they are fully versed in SBT's objectives and procedures. Updates on developments in the social sector are provided at each trustees' meeting and additional training is available to trustees on request. The names of the trustees who held office during the year are set out on page 1.

Related party transactions and conflicts of interest

Trustees are required to disclose to the Board any direct or indirect interest in a proposed or existing transaction and any other circumstances that might give rise to a conflict or potential conflict. When any such actual or potential conflicts are identified, the trustee in question plays no part in the decision on whether or not to enter into the transaction.

Transactions in which a trustee has or may have a direct or indirect interest are referred to as related party transactions. Related party transactions involving trustees are fully disclosed in the financial statements (see Note 13).

Public benefit

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set. To ensure that SBT is acting in accordance with its objects, investments are restricted to registered charities or to other not-for-profit entities where, in the opinion of the trustees, any private benefit is incidental and insignificant.

Investment Committee

The trustees have set up an Investment Committee to act as an advisory sub-committee of the Board. The Investment Committee includes one senior representative of each of SBT's business partners. Its purpose is to consider detailed investment recommendations put forward by SBT's core

Report of the trustees

For the year ended 31 May 2021

team and, if appropriate, recommend them to the Board for approval. Meetings of the Investment Committee take place at least four times a year, usually on the same day as Board meetings.

The current members of the Investment Committee are:

Larissa Joy (Chair)

Gemma Cotton (Bain & Company)

Keir Gordon (Charles Russell Speechlys)

Michael Crossan (Clifford Chance)

Andrew Walton (EY)

Paul Armstrong (Permira)

David Hirschmann (Permira Credit)

Luke Manning (Refinitiv)

Lucinda Case (Thomson Reuters)

Peter Harrison (Schroders)

Fundraising

The charity is committed to observing all relevant fundraising regulations and codes. During the year, there was no non-compliance of these regulations and codes and the charity received no complaints relating to its fundraising practices.

Volunteers

SBT's trustees, Investment Committee members and core team are extremely grateful to the many people from SBT's business partners and other organisations who have given us and our investees the benefit of their experience and expertise during the year. SBT's accounting policies for valuing the contributions of these volunteers is set out in Note 1 to the financial statements.

Risk management

Risk exists when there is uncertainty surrounding events and their outcomes that may have a significant impact on SBT's ability to:

- Achieve its aims
- Satisfy the expectations of its stakeholders
- Operate efficiently

Risk management is the responsibility of the Board and, in recognition of this, a schedule summarising principal risks together with mitigating factors and appropriate risk management procedures is formally reviewed by the Board at regular intervals.

In the Board's opinion, SBT's two most significant risks can be summarised as:

- The inability to attract or retain enough key business partners to continue to provide SBT and its investees with the level of support required to achieve SBT's aims
- The unavailability or loss of key SBT team members

Report of the trustees

For the year ended 31 May 2021

To a significant extent, these risks are outside the control of the Board but mitigation strategies include a relentless focus on stakeholder satisfaction, increased investment in fundraising and appropriate succession planning.

Going concern

The trustees consider that, having regard to the level of reserves and to the continuing support of SBT's business partners, there are no material uncertainties about the charitable company's ability to continue as a going concern.

Remuneration policy for key management personnel

The trustees of SBT recognise that the charity will not achieve its ambitious goals unless we are able to attract and retain a core team of key management personnel who have the experience, enthusiasm and ability to provide support and guidance to both its investee companies and to high calibre personnel from its business partners. Consequently, the ability to offer a compelling value proposition to all staff is regarded as a critical success factor.

In common with other small, entrepreneurial companies in the charitable sector, SBT's value proposition to staff includes flexible working, supportive teamwork and significant job satisfaction from the social impact that we are helping to generate. However, remuneration is also important and, for this element of the overall reward package, our policy is to set pay and benefits at levels that are competitive for the sector and which recognise an individual's abilities, responsibilities and experience. In all cases, in the opinion of the trustees, this results in remuneration that is lower than the people concerned would be able to earn in the commercial sector.

The remuneration of key management personnel is summarised in Note 6 of the financial statements. On a full time equivalent basis, SBT's highest paid employee is the Chief Executive and, in the year to 31 May 2021, her salary was approximately 1.6 times the average full time equivalent salary paid to other employees.

Financial review

The Chief Executive's report, which is set out on pages 4 to 8, includes a commentary on SBT's performance in the year to 31 May 2021 and a financial overview.

Plans for the future

In the year ahead, we will work closely with our business partners and social enterprises to build on our successes to date, and to respond to the challenges arising out of the Covid-19 pandemic. Our priorities for 2021/22 include the following:

- Continue to support the social enterprises in our portfolio so that they are sustainable and can grow
- Bring a number of outstanding social enterprises into our portfolio
- Strengthen our collective of high quality business partners

Report of the trustees

For the year ended 31 May 2021

- Respond to the needs of our business partners by providing a growing number of high-quality volunteering opportunities
- Continue to strengthen the digital capabilities we can provide our portfolio
- Re-start selective, high impact fundraising opportunities, and other ways to build our income
- Build the skills of the core team
- Develop our impact measurement

Statement of responsibilities of the trustees

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

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

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgments and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation

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

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 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.

Social Business Trust

Report of the trustees

For the year ended 31 May 2021

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantors at 31 May 2021 was 9 (2020: 8). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Auditor

Sayer Vincent LLP was re-appointed as the company's auditor during the period and has expressed its willingness to continue in that capacity.

The trustees' annual report which includes the Chair's and Chief Executive's report was approved by the trustees on 7 September 2021 and signed on their behalf by:

Harry Nicholson
Trustee

Independent auditor's report

To the members of

Social Business Trust

Opinion

We have audited the financial statements of Social Business Trust (the 'charitable company') for the year ended 31 May 2021 which comprise the statement of financial activities, balance sheet, statement of cash flows 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 charitable company's affairs as at 31 May 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 Trust'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.

Independent auditor's report

To the members of

Social Business Trust

Other Information

The other information comprises the information included in the trustees' 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' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, 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

Independent auditor's report

To the members of

Social Business Trust

is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and the board of trustees, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.

Independent auditor's report

To the members of

Social Business Trust

- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the charitable company's 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.

Judith Miller (Senior statutory auditor)

22 September 2021

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Social Business Trust

Statement of Financial Activities *(incorporating an Income and Expenditure Account)*

For the year ended 31 May 2021

	Note	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Total £
Income from:							
Donations	2a	3,757,222	–	3,757,222	3,435,477	–	3,435,477
Fundraising activities	2b	–	–	–	13,300	–	13,300
Bank interest and sundry income		114	–	114	1,207	–	1,207
Total income		3,757,336	–	3,757,336	3,449,984	–	3,449,984
Expenditure on:							
Raising funds		179,059	–	179,059	131,152	–	131,152
Charitable activities							
Investment in projects		3,417,784	–	3,417,784	3,245,778	54,525	3,300,303
Total expenditure	3	3,596,843	–	3,596,843	3,376,930	54,525	3,431,455
Net income/(expenditure) for the year and net movement in funds	5	160,493	–	160,493	73,054	(54,525)	18,529
Reconciliation of funds							
Total funds brought forward		529,388	4,005	533,393	456,334	58,530	514,864
Total funds carried forward		689,881	4,005	693,886	529,388	4,005	533,393

Movements in restricted funds are detailed in note 11

All of the above results are derived from continuing activities. There were no other recognised gains or losses in either year other than those stated above.

Social Business Trust

Balance sheet

Company no. 07242976

31 May 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible fixed assets	8	4,316	5,365
Current assets			
Debtors	9	137,379	42,233
Cash at bank and in hand		567,457	500,612
		704,836	542,845
Liabilities			
Creditors: amounts due within one year	10	(15,266)	(14,817)
Net current assets		689,570	528,028
Net assets		693,886	533,393
The funds of the charity			
Unrestricted general funds		689,881	529,388
Restricted funds	11	4,005	4,005
Total charity funds		693,886	533,393

Approved by the trustees on 7 September 2021 and signed on their behalf by:

Harry Nicholson
Trustee

Social Business Trust

Statement of Cash Flows

For the year ended 31 May 2021

	2021 Total £	2020 Total £
Net income for the year	160,493	18,529
Depreciation	2,483	2,827
(Increase) in debtors	(95,146)	(23,592)
Increase/(decrease) in creditors	449	(7,609)
Net cash provided by/(used in) operating activities	68,279	(9,845)
Cash flows from investing activities:		
Purchase of fixed assets	(1,434)	(6,332)
Net cash (used in) investing activities	(1,434)	(6,332)
Change in cash and cash equivalents in the year	66,845	(16,177)
Cash at the beginning of the year	500,612	516,789
Cash at the end of the year	567,457	500,612

1 Accounting policies

a) Statutory information

Social Business Trust ("SBT") is a charitable company limited by guarantee and incorporated in the United Kingdom.

The registered office address is Social Business Trust, 10 Queen Street Place, London, EC4R 1BE.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. 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 nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that, having regard to the level of reserves and to the continuing support of SBT's business partners, there are no material uncertainties about the charitable company's ability to continue as a going concern. Further details can be found in the trustees' annual report.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period. Similarly, the trustees do not believe that they have made any key judgements which have had a significant effect on the accounts.

e) Income

Donations consist of cash donations and services provided "in-kind" (ie without charge) to SBT or its investees by SBT's business partners. Cash donations are included in full in the statement of financial activities when receivable and, when appropriate, include Gift Aid receivable from HMRC. In-kind donations are recognised as income when the services in question are provided and are valued by the trustees of SBT at a prudent estimate of the market value of those services.

1 Accounting policies (continued)

f) Expenditure and irrecoverable VAT

Expenditure is recognised in the period in which it is incurred and includes attributable VAT as this cannot be recovered.

SBT has the following three core processes:

1. Raising funds

Associated activities include profile raising, identifying potential business partners and/or individual donors, enlisting support from and managing relationships with those partners/donors and organising fundraising events.

2. Investment in projects

Associated activities include market research, screening applicants, detailed due diligence, project definition, project delivery and monitoring progress.

3. Governance

Associated activities include strategic management of the charity, risk management, internal control, administration, compliance with regulations and public reporting.

g) Allocation of support costs

Cash grants and the value of in-kind services provided by SBT's core team and its business partners to other organisations are allocated directly to investment in projects. All other costs are initially allocated to support costs and then re-allocated to SBT's three core processes – either directly or on the basis of the most appropriate cost driver. In the case of staff costs, the cost driver is the amount of time spent by an individual team member on a particular process. For all other indirect costs, re-allocation is based on the following percentages which themselves are derived from the trustees' estimate of the percentage of total time spent by the core team on each of the three core processes:

Raising funds	26%
Investment in projects	56%
Governance	18%

Governance costs are then reallocated to the other two processes in proportion to their total direct and indirect costs.

h) Grants payable

Cash grants payable to other organisations are charged to the statement of financial activities when conditions have been met for payment. Where grants are payable by instalments, each instalment is conditional on the organisation in question meeting SBT's requirements. Expenditure is only recognised when these conditions are met. Where conditions have not yet been met, outstanding payments are shown as future commitments.

1 Accounting policies (continued)

i) Donations of gifts, services and facilities

Services provided without charge by SBT's business partners to SBT or to other organisations are recognised as resources expended (and as voluntary income) when the services are provided and are valued by the trustees of SBT at a prudent estimate of the market value of those services. Additional services that SBT has agreed to provide to other organisations but which have not yet been provided are valued on the same basis and shown as future commitments.

Services provided without charge to SBT by trustees, Investment Committee members, other individual volunteers and external organisations (other than SBT's business partners) are not recognised as resources expended (or as voluntary income) but are acknowledged in the trustees' report.

j) Tangible fixed assets

Depreciation is provided at a rate calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates currently in use are as follows:

Office equipment	3 years
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Items of equipment are capitalised when the purchase price exceeds £250. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

k) Operating leases

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the Statement of Financial Activities on a straight line basis over the term of the lease.

l) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

m) Pensions

Contributions payable by SBT to the company's defined contribution pension scheme are recognised in the period to which they relate.

n) Fund accounting

Unrestricted funds are derived from donations and other incoming resources received or generated for general charitable purposes. Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure incurred in connection with these purposes is charged to the relevant fund together, when appropriate, with a fair allocation of management and support costs.

o) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

p) Cash at bank and in hand

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

1 Accounting policies (continued)

q) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

2a Donations

	2021 Total £	2020 Total £
Cash donations from business partners	762,000	557,000
In-kind services provided by business partners	2,995,214	2,878,071
Cash donations from individuals and corporate entities	8	406
Total	<u>3,757,222</u>	<u>3,435,477</u>

All donations were unrestricted in both years.

2b Fundraising activities

	Unrestricted £	Restricted £	2021 Total £	2020 Total £
Fundraising events	–	–	NIL	13,300

Given the COVID restrictions in place during the year, the charity held no fund raising activities.

Social Business Trust

Notes to the financial statements

For the year ended 31 May 2021

3a Total expenditure (current year)

	Costs of raising funds £	Investment in projects £	Governance Costs £	Support Costs £	2021 Total £	2020 Total £
Cash paid to support social enterprises	-	199,400	-	-	199,400	151,237
In-kind services provided	-	2,835,839	-	159,375	2,995,214	2,878,071
	-	3,035,239	-	159,375	3,194,614	3,029,308
Staff and recruitment costs (Note 6)	-	-	-	333,090	333,090	313,730
Property costs	-	-	-	27,495	27,495	41,645
Marketing and fundraising costs	-	-	-	3,981	3,981	6,735
Training	-	-	-	446	446	1,440
Subscriptions	-	-	-	2,057	2,057	1,766
Travel, subsistence and entertainment	-	-	-	973	973	6,537
Phone costs	-	-	-	3,180	3,180	3,197
Depreciation	-	-	-	2,483	2,483	2,827
Other office costs	-	-	-	14,396	14,396	11,040
Insurance	-	-	-	5,308	5,308	4,590
Professional fees	-	-	-	8,820	8,820	8,640
	-	3,035,239	-	561,604	3,596,843	3,431,455
Support Costs	173,789	281,952	105,863	(561,604)	-	-
Governance costs	5,270	100,593	(105,863)	-	-	-
Total expenditure 2021	179,059	3,417,784	-	-	3,596,843	
Total expenditure 2020	131,152	3,300,303	-	-		3,431,455

Governance costs include in-kind services provided by business partners, relevant staff costs, fees payable to the charity's auditors and an appropriate share of overheads.

Social Business Trust

Notes to the financial statements

For the year ended 31 May 2021

3b Total expenditure (prior year)

	Costs of raising funds £	Investment in projects £	Governance Costs £	Support Costs £	2020 Total £
Cash paid to support social enterprises	–	151,237	–	–	151,237
In-kind services provided	–	2,775,407	–	102,664	2,878,071
	–	2,926,644	–	102,664	3,029,308
Staff and recruitment costs (Note 6)	–	–	–	313,730	313,730
Property costs	–	–	–	41,645	41,645
Marketing and fundraising costs	–	–	–	6,735	6,735
Training	–	–	–	1,440	1,440
Subscriptions	–	–	–	1,766	1,766
Travel, subsistence and entertainment	–	–	–	6,537	6,537
Phone costs	–	–	–	3,197	3,197
Depreciation	–	–	–	2,827	2,827
Other office costs	–	–	–	11,040	11,040
Insurance	–	–	–	4,590	4,590
Professional fees	–	–	–	8,640	8,640
	–	2,926,644	–	504,811	3,431,455
Support Costs	126,943	267,738	110,130	(504,811)	–
Governance costs	4,209	105,921	(110,130)	–	–
Total expenditure 2020	131,152	3,300,303	–	–	3,431,455

Notes to the financial statements

For the year ended 31 May 2021

4 Investment in projects

An analysis of cash payments and in-kind services provided during the year is set out below:

	2021 £	2020 £
Portfolio		
Brightside	62,703	253,245
Challenge Partners	145,387	775,069
Career Ready	248,114	–
Catch22	639,774	–
Hertfordshire Independent Living Service	213,324	104,986
I CAN	46,221	22,569
London Early Years Foundation	204,292	81,962
Moneyline	95,846	3,571
The Brilliant Club	676,113	475,374
Twining Enterprise	139,946	101,757
User Voice	52,174	67,338
Alumni		
Bikeworks	17,946	26,119
Catch Up®	–	11,167
Coram Shakespeare Schools Foundation	–	61,567
Tempo Time Credits	33,843	139,079
The Challenge Network	–	87,348
The Reader Organisation	–	679
Design		
BELU	24,286	–
LEAP	48,000	–
Refetorrio Felix	19,614	8,543
RetailTRUST	6,571	–
TeachFirst	17,143	–
The Brit School for Performing Arts & Technology	–	1,000
The Orchard Project	6,643	6,957
	2,697,940	2,228,330
Project Rainbow (I and II)	40,655	698,314
Digital Initiative	296,644	–
	3,035,239	2,926,644

Project Rainbow was a key part of the charity's response to Covid-19 in Spring 2020. In the current year, support to Social Enterprises related to the effects of the pandemic has moved on from crisis management to recovery and is reported by beneficiary; Rainbow II represents additional cash grants provided in the year related to Covid support.

Given the increasing importance of technology, SBT has created a Digital Advisory Board. In FY21 it commissioned a survey and digital diagnostic across all members of the portfolio, and the development of a digital toolkit – collectively reported as the Digital Initiative.

Notes to the financial statements

For the year ended 31 May 2021

4 Investment in projects (continued)

At 31 May, the estimated value of future commitments to provide cash grants and additional services was as follows:

	2021 £	2020 £
Within one year	740,000	1,085,000
Between one and two years	–	405,000
Total	740,000	1,490,000

On 25 June 2021, the trustees authorised additional investments in I CAN and LEYF, and a new investment in The RetailTrust; collectively these comprise cash grants of up to £170,000 and professional support with an estimated market value of approximately £1,240,000.

5 Net movement in funds for the period

This is stated after charging:	2021 £	2020 £
Depreciation	2,483	2,827
Rent/workstation licence fees	27,495	41,645
Auditor's remuneration (excluding VAT):		
Audit	7,350	7,200
Trustees' remuneration	NIL	NIL
Trustees' expenses	NIL	NIL

6 Staff costs and numbers

Staff costs were as follows:	2021 £	2020 £
Salaries and fees payable	294,593	264,780
Social security costs	28,893	26,088
Pension contributions	9,330	7,104
Recruitment costs	274	15,758
	333,090	313,730

The following number of employees received employee benefits in excess of £60,000 (excluding employer national insurance and employer pension costs) during the year between:

	2021 No.	2020 No.
£60,000 – £69,999	1	1
£80,000 – £89,999	–	1
£90,000 – £99,999	1	–

The total employee benefits (including employer national insurance and employer pension contributions) of the key management personnel were £332,816 (2020: £297,072).

At 31 May 2021, SBT's core team consisted of 5.9 (2020: 5.0) full time equivalents, being six (2020: five) employees and one (2020: one) secondee from EY. The average weekly number of employees (full-time equivalents) during the year was 4.2 (2020: 3.6).

7 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

8 Tangible fixed assets

	Office equipment £	Total £
Cost		
At start of the year	16,406	16,406
Additions in year	1,434	1,434
Disposals in year	–	–
At the end of the year	17,840	17,840
Depreciation		
At start of the year	11,041	11,041
Charge for the year	2,483	2,483
Disposals in year	–	–
At the end of the year	13,524	13,524
Net book value		
At the end of the year	4,316	4,316
At the start of the year	5,365	5,365

All of the above assets are used for charitable purposes.

9 Debtors

	2021 £	2020 £
Prepayments	8,721	6,847
Other debtors	24,248	–
Rent deposit	4,410	10,290
Accrued income	100,000	25,096
	137,379	42,233

On 17 June 2021, the accrued income was received in full.

10 Creditors: amounts due within one year

	2021 £	2020 £
Taxation and social security	7,655	7,906
Other creditors	7,611	6,911
	15,266	14,817

11a Restricted funds – current year

	At 1 June 2020 £	Income £	Expenditure £	At 31 May 2021 £
HBS Fund	4,005	–	–	4,005
Total restricted funds	4,005	–	–	4,005

The HBS Fund was established by the charity's co-founder and former Chair, Sir Damon Buffini. Its purpose is to enable senior executives from SBT's investee companies to attend a course for social entrepreneurs at Harvard Business School. Given the restrictions on travel in place during the year, there was no income or expenditure.

Total restricted funds at the year end (£4,005) were represented by cash. All of the charity's other assets and liabilities at 31 May 2021 represented unrestricted funds.

11b Restricted funds – prior year

	At 1 June 2019 £	Income £	Expenditure £	At 31 May 2020 £
Grants Fund	52,722	–	(52,722)	–
HBS Fund	5,808	–	(1,803)	4,005
Total restricted funds	58,530	–	(54,525)	4,005

During 2019/20, the charity used the proceeds of a fundraising event that created a separate Grants Fund to make cash grants to The Brilliant Club, Tempo Time Credits, Twining Enterprise and User Voice.

12 Property commitments

The charity had an agreement with Bates Wells & Braithwaite London LLP ("the licensor") to licence seven workstations at the licensor's BWB Charity Hub at 10 Queen Street Place, London EC4R 1BE, that was terminated early by the landlord in June 2021; the charity is exploring alternative arrangements.

13 Related party transactions

As shown in Note 4, during the year, cash and in-kind services with values of £nil (2020: £87,348), £95,846 (2020: £3,571) and £nil (2020: £61,567) were provided to The Challenge Network, Moneyline and Coram Shakespeare Schools Foundation ("Coram SSF") respectively. Prior to his resignation in August 2019, Paul Armstrong was a trustee of The Challenge Network, Jan Coos Geesink is a trustee of Moneyline and both James Hadley and Guy Davies are trustees of Coram SSF.

In accordance with SBT's normal procedures, having declared their interests, the trustees concerned took no part in the decisions to make the investments in the investee companies in which they were involved. In all cases, the remaining trustees were satisfied that the associated expenditure was appropriate and in the best interests of SBT.

14 Legal status of the charity

SBT is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.