

Company number: 07242976

Charity number: 1136151

Social Business Trust

Report and Financial Statements
For the year ended 31 May 2024

Social Business Trust

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 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,

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	<u>8,639,431</u>	<u>6,264,415</u>

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).

Notes to the financial statements

For the year ended 31 May 2024

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.