

SOCIAL BUSINESS NETWORK
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

Charity No: 1136364
Company No: 06523160

SOCIAL BUSINESS NETWORK

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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SOCIAL BUSINESS NETWORK

LEGAL AND ADMINISTRATIVE INFORMATION

FOR THE YEAR ENDED 31 MARCH 2021

Status

The organisation is a company limited by guarantee, incorporated on 4 March 2008 with charitable objects. The company was established under a Memorandum of Association which established the objects and powers of the company and is governed under the Articles of Association. Registration as a charity was confirmed in June 2010.

Directors

Albert Tucker (Chair)
Nicholas Hoskyns
Duncan White

Company Secretary

Nicholas Hoskyns

Registered office

25 Hamilton Gardens
London
United Kingdom
NW8 9PU

Bankers

HSBC
2 Craven Rd
London
W2 3PY

Independent Examiner

Michael Wells
SRB Accountancy Limited
Compton Offices
King Edward Street
Ashbourne
DE6 1BW

SOCIAL BUSINESS NETWORK

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 MARCH 2021

The Trustees have pleasure in presenting their report and financial statements for the year ended 31 March 2021.

Principal activities

The company's principal activity is to act as a charity.

Review of the Year

Social Business Network further established itself during the year 2020/21.

From an administrative perspective, the company maintained its governance functions previously established.

From a project perspective, Social Business Network consolidated and expanded its activities:

- Establishing a partnership with Mozzo Coffee Company to project manage its Community 2 Community (C2C) Fund, working with coffee cooperative partners, Rebuild Women's Hope and Muungano in East Africa. With Rebuild Women's Hope, a maternity and paediatric clinic was built on Idjwi Island and a safe water supply established to benefit the whole community. With Muungano, an agronomist was supported to work with the farmers.
- Following the onset of the Covid 19 pandemic in March 2020, Scottish-charity Challenges Worldwide commissioned Social Business Network to work with its coffee cooperative partners in East Africa and their buyers to undertake a Covid-19 risk assessment of the impact to their opportunities and sales.
- Established The Anthony Hoskyns Music Fund as a commemorative fundraising activity through JustGiving. The intention of this fund is to support music courses with a cooperative in Achuapa, Central America.
- Social Business Network continued to contribute to the debate on multi-stakeholder collaborations to contribute to a better world through business and increased its online profile through a website redesign and relaunch.
- Through the company's investment and social business trade partner Etico, work has continued in the sesame and coffee supply chains in order to increase the economic value to farmers, their cooperatives and their communities. Specifically Etico: (i) continued its development activities around the recognition of the unpaid work of women in sesame and coffee supply chains; and additionally (ii) Etico has continued to develop nut value chains in Central and South America and Southern Africa as well as honey and cocoa supply chains.

Charitable expenditure and donations are disclosed in note 3 to the accounts.

Future developments

During 2021/22, the charity will continue to promote the cooperative business model and facilitate international cooperation. Specifically, Social Business Network will:

- Continue to pioneer the "recognition of the unpaid work of women" initiative and promote multi-stakeholder collaborations across supply chains.
- Continue working with Mozzo on their C2C Fund, and plans to inaugurate the maternity clinic towards the end of 2021.
- Work with Welsh social enterprise Jenipher's Coffi, its cooperative coffee partner MEACCE in East Africa and the Welsh government, on their climate emergency support work.
- Support the cocoa farmers in the Gola Rainforest, West Africa on their sustainable, 'Forest Friendly' cocoa projects.
- Through the charity's social business partner, Etico, there will be a continued product focus on sesame and coffee value chains, whilst strengthening the more recent developments in honey, cashew nuts, macadamia nuts, Brazil nuts and cocoa.

Financial review

During the period the charity received income of £61,386 (of which £49,789 was restricted). Its expenditure was £36,961 leaving reserves at the year end of £29,135 (made up of Unrestricted Funds of £8,165 and Restricted Funds of £20,970).

Although the financial position of the charity has improved over the last year, looking forward, the charity will aim to grow its unrestricted funds to further strengthen its balance sheet and consolidate its reserve policy, detailed below.

Reserves policy

During the year the charity maintained its reserves policy. The main factors that are taken into account are the needs to cover fluctuations in income and unplanned expenditure. The charity continues with its aim to build its unrestricted reserve and to maintain a level of at least 12 weeks operational expenditure.

At the year end, unrestricted funds held on the balance sheet covered the planned 12 weeks operational expenditure.

SOCIAL BUSINESS NETWORK

REPORT OF THE DIRECTORS (continued)

FOR THE YEAR ENDED 31 MARCH 2021

Governance and risk management

The charity has reviewed the risks involved in its activities. The trustees are satisfied that they have put in place appropriate systems and measures to mitigate these risks.

Directors/Trustees

The directors/trustees of the company/charity who served at any time during the financial year, are as listed on page 1. The Trustees regularly review the governance needs of the charity and will, in the future, approach individuals to join the Board who are known or recommended to them as sharing the charity's values and able to contribute appropriate skills or expertise.

Responsibilities of trustees

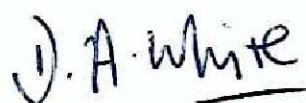
Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company's financial activities during the year and of its financial position at the end of the year. In preparing financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

This report has been prepared in accordance with the special provision of Part 15 of the Companies Act 2006 relating to small entities.

This report was approved by the trustees on 24 March 2022 and signed on their behalf by:



Duncan White
Director

Company No. 06523160
Charity No. 1136364

I report on the accounts of the company for the year ended 31 March 2021, which are set out on pages 7 to 11.

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

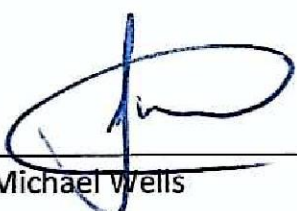
Independent examiner's statement

In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 386 of the Companies Act 2006; and
- to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.


Michael Wells

SRB Accountancy Limited
Compton Offices
King Edward Street
Ashbourne
DE6 1BW

Date: 25/03/22.

SOCIAL BUSINESS NETWORK

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Year ended 31 March 2021			Year ended 31 March 2020
		Unrestricted £	Restricted £	Total £	Total £
Incoming Resources					
Incoming resources from general funds	2	11,597	49,789	61,386	18,941
Total incoming resources		11,597	49,789	61,386	18,941
Resources Expended	3				
Costs of generating funds		-	-	-	-
Charitable activities		6,513	28,819	35,332	16,147
Governance costs		735	-	735	-
Other resources expended		893	-	893	179
Total Expenditure		8,142	28,819	36,961	16,326
Net incoming / (outgoing) resources		3,455	20,970	24,425	2,615
Transfer between funds		-	-	-	-
Fund balances brought forward at 31 March 2019	10	4,710	-	4,710	2,095
Fund balances carried forward at 31 March 2020	10	8,165	20,970	29,135	4,710

There were no recognised gains or losses for the year ended 31 March 2021 other than those included in the statement of Financial Activities.

The notes on pages 9 to 11 form part of these accounts.

SOCIAL BUSINESS NETWORK**BALANCE SHEET****AS AT 31 MARCH 2021**

	Notes	2021 £	2020 £
Fixed Asset Investments	6	761	761
Current Assets			
Debtors	7	-	-
Cash at bank and in hand		36,911	36,086
		36,911	36,086
Creditors: amounts falling due within one year	8	1,600	25,200
Net Current Assets		35,311	10,886
Creditors: amounts falling due in greater than one year	8	6,937	6,937
Net Assets		29,135	4,710
Represented by:			
Restricted funds	10	20,970	-
Unrestricted funds	10	8,165	4,710
Total Funds		29,135	4,710

The company is entitled to the exemption from audit under Section 477(1) of the companies Act 2006 for the year ended 31 March 2021.

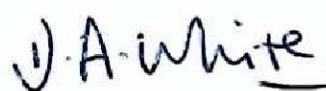
The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2021 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006; and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year in accordance with the requirements of Section 396 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the company on 24 March 2022 and signed on its behalf by



Duncan White
Director

The notes on pages 9 to 11 form part of these accounts

1. Accounting Policies

1.1 Basis of preparation of accounts

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice "Accounting & Reporting by Charities (SORP 2005)", applicable UK accounting standards and the Companies Act 2006.

1.2 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less estimated residual value, over their expected useful lives.

1.3 Income

Income is received by way of donations, grants, consultancies and gifts in kind and is included in full in the Statement of Financial Activities in the year in which it is receivable. Gifts in kind are included in income at a value which is an estimate of the financial costs borne by the donor where such a cost is quantifiable and measurable. No income is recognised where there is no financial cost borne by a third party. Other income is included when received.

1.4 Expenditure

Expenditure comprises activities undertaken which are directly identifiable as wholly or mainly in support of the company's objectives. Governance expenditure relates to compliance with constitutional and statutory requirements. Charitable activities include expenditure on the various projects and programmes undertaken and include both the direct costs and support costs relating to those activities. Support costs have been allocated to activities on a basis consistent with the use of resources, for example staff and subcontractor costs by time spent and other costs by usage. Resources expended include attributable VAT which cannot be recovered.

1.5 Funds

The company has a provision to restrict income funds to account for situations where a donor requires that a donation must be spent on a particular purpose or where funds have been raised for a specific purpose.

All other funds are unrestricted income funds. The funds held in each of these categories are disclosed in note 10 to these accounts.

2. Incoming resources from generated funds

	2021 Unrestricted	2021 Restricted	2021 Total	2020 Total
	£	£	£	£
Donations	865	49,789	50,654	12
Consultancy	10,732	-	10,732	18,639
Interest receivable	-	-	-	-
Exchange rate gain	-	-	-	290
	11,597	49,789	61,386	18,941

SOCIAL BUSINESS NETWORK

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2021

3. Expenditure

	2021 Unrestricted £	2021 Restricted £	2021 Total £	2020 Total £
Cost of generating funds	-	-	-	-
Charitable activities				
Direct project costs	-	28,819	28,819	670
Consultancy	6,513	-	6,513	15,477
	6,513	28,819	35,332	16,147
Governance costs				
Trustee expenses	-	-	-	-
Exchange rate loss	585	-	585	-
Examiner fee	150	-	150	-
	735	-	735	-
Other resources expended	893	-	893	179
	8,142	28,819	36,961	16,326

4. Staff Costs

The company utilised subcontract services during the year amounting to £9,392 (2020: £15,477) to cover its project delivery needs.

5. Trustees' remuneration and reimbursed expenses

No trustees received remuneration for consultancy services undertaken on behalf of the company during the year (2020: £nil).

1 trustee has a loan account made out to the company for a total of £8,387 (2020: £8,387). This loan is split as £1,450 and £6,937, in respect of amounts due within one year and greater than one year respectively (2020: £1,450 and £6,937). This loan has been made by the trustee as a 'soft-loan', only repayable if and when the charity chooses to and is able to repay, and has been done so to support the charity during its development.

1 trustee received remuneration in the year from ETICO, in the band £10,000-£25,000 (2020: band £10,000-£25,000). ETICO is a subsidiary of Social Business Network

6. Fixed Asset Investments

	2021 £	2020 £
Investment	761	761

The company holds, in trust, £761 of ordinary share capital in ETICO The Ethical Trading and Investment Company Ltd, a social enterprise, which describes itself as a 'business initiative that contributes to a more sustainable world'. The company has no long-term interest in the revenues of ETICO The Ethical Trading and Investment Company Ltd.

7. Debtors

	2021 £	2020 £
Trade debtors	-	-
Accrued income	-	-
	-	-

SOCIAL BUSINESS NETWORK

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2021

8. Creditors

	2021	2020
	£	£
Amounts falling due within one year:		
Trade creditors	1,450	1,450
Accruals and deferred income	150	23,750
	<u>1,600</u>	<u>25,200</u>
Amounts falling due in greater than one year:		
Other creditors	<u>6,937</u>	<u>6,937</u>

9. Share capital

Social Business Network is a company limited by guarantee and has no share capital. Each member is liable to contribute a sum not exceeding £1 in the event of the charity being wound up.

10. Analysis of Charitable Funds

	Balance at 31 March 2020	Incoming Resources	Resources Expended	Resources Transfers	Fund at 31 March 2021
	£	£	£	£	£
Unrestricted fund movements					
General Fund	4,710	11,597	(8,142)	-	8,165
Restricted fund movements					
Mozzo Community 2 Community Fund (C2C)	-	46,927	(28,819)	-	18,108
Anthony Hoskyn's Music Fund	-	2,862	-	-	2,862
Total Restricted fund	-	49,789	(28,819)	-	20,970

General Fund

During the year the charity maintained its administrative and project function - primarily supporting consultancy work to two UK charity programmes: Karma Kola Foundation and also Challenges Worldwide in its work with coffee cooperatives in East Africa. As well the charity continued monitoring the activities of ETICO, its investment and social business trade partner.

Mozzo Community 2 Community Fund (C2C)

During the year the charity received support from Mozzo Coffee Company to project manage its Community 2 Community (C2C) Fund, working with coffee cooperative partners, Rebuild Women's Hope and Muungano in East Africa. With Rebuild Women's Hope, a maternity and paediatric clinic was built on Idjwi Island and a safe water supply established to benefit the whole community. With Muungano, an agronomist was supported to work with the farmers.

Anthony Hoskyn's Music Fund

During the year the charity established a fund in memory of one of its longstanding supporters, Anthony Hoskyns, who passed away in 2020. The fund will be used to support music courses with a cooperative in Achuapa, Central America.

11. Analysis of Net Assets Between Funds

	Unrestricted Funds	Restricted Funds	Total
	£	£	£
Fixed asset investments	761	-	761
Cash at bank and in hand	15,941	20,970	36,911
Debtors	-	-	-
Creditors: amounts falling due within one year	(1,600)	-	(1,600)
Creditors: amounts falling due in greater than one year	(6,937)	-	(6,937)
	<u>8,165</u>	<u>20,970</u>	<u>29,135</u>