

Sumerian Foundation

(a company limited by guarantee)

Report of the trustees and financial statements for the year ended 31 December 2021

Company Registered Number: 10234246

Charity Registered Number: 1169532

SUMERIAN FOUNDATION

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Trustees, directors, officers and advisors

Trustees (who are also directors)

The trustees of the Foundation who were in office during the year and up to the date of signing the financial statements were:

Ms Isabelle Irani	
Dr Chris West	Resigned December 2021
Mrs Amy Gutcher	Appointed December 2021
Mr Nicholas Colloff	
Mr Rupesh Chatwani	Chair
Ms Clare Woodcraft	

Registered Office

Two Temple Place
London WC2R 3BD

Independent Examiner

Shruti Soni Ltd
117A St. Johns Hill
Sevenoaks TN13 3PE

Bankers

HSBC plc
25 Islington High Street
London N1 9LJ

Solicitors

Skadden, Arps, Slate, Meagher & Flom
(UK) LLP
40 Bank Street
Canary Wharf
London E14 5DS

Report of the trustees for the year ended 31 December 2021

The trustees, who are also directors of the Foundation for the purpose of the Companies Act, present their annual report and financial statements for the year ended 31 December 2021. This is also a Directors' Report as required by Companies Act 2006.

The information with respect to trustees and advisors set out on page 3 forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association, applicable Accounting Standards in the United Kingdom, the Statement of Recommended Practice 'Charities SORP (FRS 102)' effective 1st January 2019, the Companies Act 2006 and the Charities Act 2011.

Structure, Governance and Management

Status and Administration

Sumerian Foundation ('the Foundation' or 'SF') is a charitable company limited by guarantee, incorporated on 15 June 2016 (company registration number 10234246) and registered with the Charity Commission as a charity on 7 October 2016 (charity registration number 1169532). Its governing document is its Memorandum and Articles of Association.

Governance and Internal Controls

The trustees are appointed by the sole member of the Foundation (Sumerian Partners Limited) and by the Board of Trustees, in consultation with the existing trustees. The constitution requires the Foundation to have a minimum of five trustees, majority of whom should be independent to Sumerian Partners Ltd. Each trustee has one vote.

New trustees are provided with information on trustee guidelines as prepared by the Charity Commission, and information on the Foundation as appropriate. Briefing discussions are held with the current trustees. Trustees are requested annually to confirm any related party transactions.

The trustees meet formally twice each year, where they review and approve:

- A strategic plan and annual budget for the Foundation
- The Foundation's financial results, variances from budget, and non-financial performance indicators
- Internal controls (including delegation of authorities and segregation of duties)
- Risks associated with the Foundation's activities and appropriate mitigation measures in respect of those risks
- The Foundation's performance against pre-determined annual targets

A major risk assessment has been performed, and systems and procedures – including a risk matrix and bi-annual review by the Trustees – have been established. The key risks relate to the Foundation's ability to grow its internal capacity, and ability to secure funding for future growth.

Relationship with Sumerian Partners Limited

The Foundation was formally incorporated on 15 June 2016 and registered as a charity on 7 October 2016. Between incorporation and 31 December 2021, unrestricted donations of £30,000 were received from Sumerian Partners Limited.

To ensure clarity in the relationship of the Foundation to Sumerian Partners Limited, the Board of Trustees includes independent members who have no direct relationship with Sumerian Partners Limited, known as the 'Nominated Trustees', who are appointed by the Board. They are selected for their experience of, and eminence in, the Foundation's field of activities and its objectives. Currently there are three independent trustees on the Board of the Foundation.

Report of the trustees for the year ended 31 December 2021 (cont.)

Objectives and Activities for the Public Benefit

The primary objectives of the Foundation are stated in its governing document, these are: ‘for the public benefit to further any purpose which is exclusively charitable under the law of England and Wales (provided that the Charity may not further any purposes which are not charitable in accordance with the laws of Scotland and Northern Ireland).’

These objectives have been met through SF’s activities during the year, as shown below:

Focus Area	Objectives and Activities in 2021	Expenditure
UK Social inequality	We aimed to obtain further funds for work on this area, and make additional ‘impact first’ investments in social enterprises in the UK.	163,114
Africa Healthcare	We aimed to provide a continuation in post investment support to our one ‘impact first’ investment social enterprise in Africa.	26,479
Advocacy on venture philanthropy	We aimed to develop our tools for venture philanthropy, including our own impact management, and work with other organisations to share these tools.	1,326

The trustees confirm they have complied with the guidance contained in the Charity Commission’s general guidance on public benefit in section 4 of the Charities Act 2011 when reviewing SF’s aims and objectives and will do when considering grants or ‘impact first’ investments (social investments where the primary motive is positive social impact) to be awarded. SF’s Articles permit it to make grants or ‘impact first’ investments to further these objectives anywhere in the world. KPIs for each of these grants or ‘impact first’ investments are co-designed with the partner we are investing in, and monitored on a quarterly basis. Our policy is to use ‘impact first’ – or programme related – investment where this is the most appropriate way to maximise public benefit.

Achievements and Performance

During 2021 Sumerian Foundation has focused on the objectives and activities outlined above. To this end, the main achievements of the year have been:

- Securing restricted funds for work on UK social inequality, totaling £436k
- Making two further ‘impact first’ investment in social enterprises in the UK, in the areas of mental health within communities and corporates
- Identifying a pipeline of potential social enterprises who work on social inequality in the UK to receive funding
- Identifying further funders for work on social inequality in the UK
- Developing and testing learning materials for the venture philanthropy/‘Impact First investing’ sector, including testing these materials with other Foundations

As part of these achievements, SF now has a portfolio of nine ‘impact first’ investees as at 31st December 2021, being a mixture of equity investments and concessionary loans. These are held on the Balance Sheet at cost – there is no indication of impairment at this time. During the year, longer term partnerships have been developed with other UK Foundations, which will significantly help SF achieve its future goals.

The future plans of Sumerian Foundation include:

- Identifying and securing additional funding in line with SF’s charitable objects
- Identifying and working with social enterprises in line with SF’s charitable objects
- Advocating further for a venture philanthropy approach in the sector

Report of the trustees for the year ended 31 December 2021 (cont.)

Financial Review

Financial Activities

The Statement of Financial Activities is included with the financial statements on page 7. During the year SF obtained funding of £339k (2020: £120k), of which £321k is restricted for use on 'impact first' investments in social enterprises in the UK and Africa, and supporting those social enterprises as they grow. £191k (2020: £191k) was spent on charitable activities, being supporting SF's portfolio of social enterprises and advocating for a venture philanthropy approach in the sector. £165k was used as 'impact first' investments, £85k in the form of a concessionary loan and £80k in the form of equity. At the year end, total funds were £897k (2020: £749k), of which £874k is restricted (2020: £732k).

Principal Funding Sources

During 2021, the Foundation's funding source was donations and a recourse loan from other charities. Further funding sources are being sought for 2022 and beyond.

Principle Risks and Uncertainties

SF relies on funding from philanthropic sources – individuals and other Foundations – to fund its work. Most funding received is long term (three years) in nature, mitigating the risk of large fluctuations year on year. SF continues to work on identifying additional funding to grow its social impact, and holds reserves to cover its core operating costs (see below), given the uncertainties over securing unrestricted funds. Other risks include exposure to foreign exchange rate fluctuations, as SF works in Africa. Almost all expenditure, however, is incurred in GBP, so this exposure is limited. Future financial performance and position are likely to be affected by both SF's ability to raise further funds to achieve its objectives, and the performance of the social enterprises SF supports.

Reserves

The Foundation set a new reserves policy to hold at least one year's expenditure in free reserves (being unrestricted liquid reserves) on core operating and governance costs, in addition to an amount to cover the provision of post investment skills support after the restricted funding ceases. One year's core operating and governance expenditure is currently forecast around £5k, as the majority of operating costs are covered by restricted funding; and one year of skills support costs is currently forecast around £60k. At the year end the Foundation held total funds of £897k, of which £22k was in free reserves, which is sufficient to cover core operating costs and part of the skills support costs for at least one year, with £50k in restricted reserves from gift aid refunds on donations which is sufficient to cover the remaining part of the skills support costs.

Trustees' responsibilities statement

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

Company law requires the trustees to prepare financial statements for each financial year, 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 2019 (FRS 102);
- make judgements 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.

Report of the trustees for the year ended 31 December 2021 (cont.)

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 independent examination information of which the charitable company's examiner is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant information and to establish that the examiner is aware of that information.

The company has taken advantage of the small companies' exemption in preparing the report above.

The Trustees' Report (including directors' report) was approved by the trustees and signed on their behalf by order of the Board:



Mr Rupesh Chatwani
Trustee

1 August 2022

Independent Examiner's Report to the Trustees of Sumerian Foundation

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 December 2021 which are set out on pages 9 to 17.

Responsibilities and basis of report

As the charity trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your company's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Signed:

*Shruti Soni ACCA
Shruti Soni Ltd • Chartered Certified Accountants
117A St Johns Hill, Sevenoaks TN13 3PE*

Date:

Statement of financial activities (incorporating an Income and Expenditure Account)

for the year ended 31 December 2021

Company Registered Number: 10234246

	Note	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
Income & endowments from					
- Donations & legacies	2	7,996	321,433	329,429	102,868
- Charitable activities	2	-	-	-	16,760
- Investment Income	2	9,949	-	9,949	-
Total Income		17,945	321,433	339,378	119,628
Expenditure on					
- Charitable activities		(12,373)	(178,546)	(190,919)	(191,133)
Total Charitable Activities	3	(12,373)	(178,546)	(190,919)	(191,133)
Total Expenditure		(12,373)	(178,546)	(190,919)	(191,133)
Net income/(expenditure)		5,571	142,887	148,459	(71,504)
Other gains/(losses)		-	(918)	(918)	1,525
Net Movement in Funds		5,571	141,969	147,540	(69,979)
Fund balances brought forward at 1 January		16,818	732,528	749,346	819,325
Fund balances carried forward at 31 December		22,389	874,497	896,886	749,346

The Statement of Financial Activities includes all gains and losses in the period. All incoming resources and resources expended derive from continuing activities.

The accompanying notes form part of these financial statements.

Balance sheet as at 31 December 2021

	Note	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
Fixed Assets					
Social investments	6	-	457,000	457,000	377,000
Total Fixed Assets		-	457,000	457,000	377,000
Current Assets					
Debtors	7	-	493,121	493,121	438,464
Cash at bank and in hand	8	87,247	319,376	406,623	248,595
Total Current Assets		87,247	812,497	899,744	687,059
Creditors - accruals: amounts falling due within one year	9	(64,858)	(30,000)	(94,858)	(34,713)
Net Current Assets		22,389	782,497	804,886	652,346
Total Assets less Current Liabilities		22,389	1,239,497	1,261,886	1,029,346
Creditors – long term loan: amounts falling due after more than one year	9	-	(365,000)	(365,000)	(280,000)
Net Assets		22,389	874,497	896,886	749,346
The funds of the Foundation:					
Unrestricted funds	10	22,389	-	22,389	16,818
Restricted funds	10	-	874,497	874,497	732,528
Total Funds		22,389	874,497	896,886	749,346

The accompanying notes form part of these financial statements.

The company was entitled to exemption from audit under s477 of the Companies Act 2006 relating to small companies. The member has not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act with respect to accounting records and the preparation of accounts. These accounts have been prepared in accordance with the provisions applicable to small companies subject to the small companies regime and in accordance with FRS102 SORP.

The financial statements on pages 9 to 17 were approved by the trustees and signed on their behalf by:

Mr Rupesh Chatwani
Trustee

1 August 2022

Sumerian Foundation: a company limited by guarantee, Company Registration No.10234246 (England & Wales)

Statement of Cash Flows

for the year ended 31 December 2021

	2021 £	2020 £
Cash flows from operating activities		
Net cash (used in)/provided by operating activities	153,946	(215,344)
Cash flows from investing activities		
Purchase of programme related investments	(80,000)	(100,000)
Net cash provided by (used in) investing activities	(80,000)	(100,000)
Cash flows from financing activities		
Cash inflows from new borrowing	85,000	180,000
Net cash provided by (used in) financing activities	85,000	180,000
Change in cash and cash equivalents in the reporting period	(158,946)	(135,344)
Cash and cash equivalents at the beginning of the reporting period	248,595	382,413
Change in cash and cash equivalents due to exchange rate movement	(918)	1,525
Cash and cash equivalents at the end of the reporting period	406,623	248,595
 Reconciliation of net income to net cash flow from operating activities		
Net income for the reporting period (as per the statement of financial activities)	148,459	(71,504)
<i>Adjustments for:</i>		
(Increase)/decrease in debtors	(54,657)	(127,353)
Increase/(decrease) in creditors	60,145	(16,487)
Net cash provided by (used in) operating activities	153,946	(215,344)

Notes to the financial statements

for the year ended 31 December 2021

1 Summary of Significant Accounting Policies

Basis of Preparation

These financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The accounts have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP FRS 102), the Financial Reporting Standard in UK and Republic of Ireland – (FRS 102 1A), the Charities Act 2011 and the Companies Act 2006.

Going concern

The financial statements have been prepared on a going concern basis, as the charity has free reserves of £22,389 and sufficient funds to undertake its activities in 2022. The trustees consider that there are no material uncertainties about the Foundation's ability to continue as a going concern.

Fund accounting

Funds held by the Foundation are either:

- Unrestricted income funds, that are expendable at the discretion of the Trustees in furtherance of the Foundation's charitable objects
- Restricted income funds, that are expendable at the discretion of the Trustees in furtherance of the specific purpose stated by the donor

Income

Donations are included in the Statement of Financial Activities when the Foundation becomes entitled to the income, receipt is probable and its amount can be measured reliably. Donated services, if applicable, are included in income at a valuation, which is an estimation of the value to the Foundation if it can be reliably measured.

Expenditure

Liabilities are recognised where it is more likely than not that there is a legal or constructive obligation committing the Foundation to pay out resources and the amount of the obligation can be measured with reasonable certainty. Support costs are allocated across charitable activities in proportion to the direct costs attributed to those activities.

Foreign currency transactions

Items of income and expenditure in non-GBP currencies are converted at the transaction date exchange rate where known, or otherwise at the average rate for the year. Monetary assets and liabilities denominated in currencies other than GBP are converted to GBP at the rate ruling at the balance sheet date. All realised gains and losses on exchange rates are reflected in the Statement of Financial Activities.

Investments

Impact first investments (social investments, which are also programme related investments, where the primary aim is a positive social impact) are carried at cost less any provision for impairment. Such investments are not able to be carried at fair value as they cannot be measured reliably as there is no open market for such investments. All impact first investments are subject to review, and any impairment is charged to the Statement of Financial Activities.

Debtors

Where the Charity makes concessionary loans, these are initially recognised at the amount paid, with the carrying amount adjusted in subsequent years to reflect repayments and any accrued interest, less any provision for impairment. Any impairment is charged to the Statement of Financial Activities.

Public benefit entity

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

Key Judgement and Estimates

There are no key judgements that the charitable company has made which have a significant effect on the accounts. 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.

Statutory information

Sumerian Foundation is a Charitable Company in England registration number 10234246. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 3 of these financial statements.

2 Income and Endowments

	2021 £	2020 £
<i>Unrestricted</i>		
Donations & gifts	7,996	750
Charitable activities	-	16,760
Investments	9,949	-
<i>Restricted</i>		
Donations & gifts	321,433	71,000
Donated services		
<i>Unrestricted</i>		
Donations & gifts	-	31,118
	339,378	119,628

Included within restricted donations & gifts are grants from Comic Relief totalling £145,433 (2020: £40,000), and Access Foundation totalling £175,000 (2020: £10,000) for providing investment readiness skills support to social enterprises. Donated services in 2020 consisted of pro bono legal services received.

3 Charitable Activities Expenditure

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
UK Social Inequality facility	(12,154)	(150,960)	(163,114)	(134,193)
Africa Healthcare facility	(209)	(26,269)	(26,479)	(32,390)
Advocacy on venture philanthropy	(10)	(1,316)	(1,326)	(24,549)
	(12,373)	(178,546)	(190,919)	(191,133)

Analysis of expenditure on charity activities:

	Direct costs £	Support costs £	Total 2021 £	Total 2020 £
UK Social Inequality facility	(144,133)	(18,981)	(163,114)	(134,193)
Africa Healthcare facility	(24,752)	(1,727)	(26,479)	(32,390)
Advocacy on venture philanthropy	(1,240)	(86)	(1,326)	(24,549)
	(170,125)	(20,794)	(190,919)	(191,133)

Prior period comparatives:

Charitable Activities Expenditure

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £
UK Social Inequality facility	(25,682)	(108,511)	(134,193)
Africa Healthcare facility	(6,357)	(26,033)	(32,390)
Advocacy on venture philanthropy	(21,578)	(2,971)	(24,549)
	(53,617)	(137,515)	(191,133)

Analysis of expenditure on charity activities:

	Direct costs £	Support costs £	Total 2020 £
UK Social Inequality facility	(100,000)	(34,193)	(134,193)
Africa Healthcare facility	(24,752)	(7,638)	(32,390)
Advocacy on venture philanthropy	(18,760)	(5,789)	(24,549)
	(143,512)	(47,621)	(191,133)

Support costs consist of governance costs and administration costs such as bank charges and support meetings for organisations within the UK Social Inequality Facility, and are allocated across activities in proportion to the direct costs of those activities. A fee of £1,200 has been recognised for independent examination of the accounts (2020: £1,200). No fees were incurred during the year on assurance or tax services. The Foundation does not have any employees.

4 Trustee Information

No trustee received any remuneration from the Foundation during the year. No Trustee expenses have been incurred during the year. No indemnity insurance for trustees' liability has been purchased by the Foundation. However, because all trustees are appointed by Sumerian Partners (the sole member) they are automatically covered by Sumerian Partners' Directors and Officers liability insurance policy. Insurance cover is permitted under clause 21 of the Foundation's Articles of Association.

5 Taxation

The Foundation is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried out in furtherance of the Foundation's primary objectives, if these profits and surpluses are applied solely for charitable purposes. The Foundation is registered for VAT with HMRC as part of a VAT Group with Sumerian Partners Ltd (VAT number 319 1548 01).

6 Social investment assets

	Programme related investments 2021 £	Programme related investments 2020 £
Cost less impairment brought forward at 1 January	377,000	277,000
Purchases	80,000	100,000
Sales	-	-
Impairment	-	-
Total social investments	457,000	377,000

The Foundation holds four impact first investments (social investments where the primary aim is positive social impact); an investment in transferable shares in East End Fair Finance, a Community Benefit Society registered in the UK, transferable shares in East Lancs Moneyline (IPS) Ltd, preference shares in Innovating Minds CIC Ltd, and ordinary shares in Thrive Therapeutic Software Ltd. Both East End Fair Finance and East Lancs Moneyline are Community Benefit Societies providing affordable credit to people who would be otherwise financially excluded in the UK. Innovating Minds provides early intervention mental health support and training to help people access education and employment, and Thrive Therapeutic Software provides individuals with evidence based mental health solutions via an NHS approved app.

7 Debtors

	2021 £	2020 £
Other debtors <1yr	-	30,760
Other debtors >1yr	493,121	407,704
Total social investments	493,121	438,464

Debtors due in more than one year consist of the following concessionary loans:

- Kineara CIC - a community interest company that works on preventing homelessness. Unsecured loan of £126k (2020: £126k) in the form of a profit share agreement, whereby the loan is repaid as 10% of profit, and is repaid up to a cap of 1.1x the original amount.
- Your Own Place CIC - a community interest company that works helping vulnerable people maintain sustainable tenancies. Unsecured loan of £100k (2020: £100k) in the form of a profit share agreement, whereby the loan is repaid as 20% of profit, and is repaid up to a cap of 1.1x the original amount.
- South Lake Medical Center - a hospital serving the community in Naivasha in Kenya with affordable healthcare. Unsecured loan of USD 150k (2020: USD150k) in the form of a revenue share agreement, whereby the loan is repaid as 2% of revenues, up to a cap of 1.15x the original amount, with a repayment holiday of 21 months.
- Equal Education - a social enterprise working towards providing tutors for looked after children and those with special educational needs. Unsecured loan of £70k (2020: £70k) in the form of a revenue share agreement, whereby the loan is repaid as 2% of revenues, upto a cap of 1.15x the original amount, with a repayment holiday of 12 months.
- The Hummingbird Project – a community interest company providing mental health services for communities and corporates in Northern Ireland. Unsecured loan of £85k (2020: £nil) in the form of a revenue share agreement, whereby the loan is repaid as 2% of revenues, upto a cap of 1.1x the original amount, with a repayment holiday of 18 months.

8 Cash at bank and on hand

	2021 £	2020 £
Cash at Bank	406,623	248,595
Total cash at bank and on hand	406,623	248,595

9 Creditors

	2021 £	2020 £
Creditors due <1yr	94,858	34,713
Creditors due after more than five years	365,000	280,000
Total creditors	459,858	314,713

Creditors due after more than five years consist of a non-recourse loan of £280k to be repaid in 2029, and a non-recourse loan of £85k to be repaid in 2031.

10 Funds

	Balance 1 Jan 2021 £	Incoming Resources £	Resources Expended £	Balance 31 Dec 2021 £
Unrestricted Funds	16,818	17,945	(12,373)	22,389
Restricted Funds	732,528	321,433	(178,546)	874,497
	749,346	339,378	(190,919)	896,886

The prior year funds and movements were:

	Balance 1 Jan 2020 £	Incoming Resources £	Resources Expended £	Balance 31 Dec 2020 £
Unrestricted Funds	21,807	48,628	(53,617)	16,818
Restricted Funds	797,518	71,000	(135,990)	732,528
	819,325	119,628	(189,607)	749,346

Restricted funds in the prior year relates to the Foundation's UK Social Inequality charitable activities, and in the current year to the Foundation's UK Social Inequality charitable activities and Africa Healthcare charitable activities. Of the restricted fund balance at the 2021 year end, £950k represents investments and concessionary loans in seven social purpose organisations as explained in notes 6 and 7.

11 Prior year Balance Sheet

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £
Fixed Assets			
Social investments	-	377,000	377,000
Total Fixed Assets	-	377,000	377,000
Current Assets			
Debtors	16,760	421,704	438,464
Cash at bank and in hand	1,438	247,157	248,595
Total Current Assets	18,198	668,861	687,059
Creditors - accruals: amounts falling due within one year	(1,380)	(33,333)	(34,713)
Net Current Assets	16,818	635,528	652,346
Total Assets less Current Liabilities	16,818	1,012,528	1,029,346
Creditors – long term loan: amounts falling due after more than one year	-	(280,000)	(280,000)
Net Assets	16,818	732,528	749,346
The funds of the Foundation:			
Unrestricted funds	16,818	-	16,818
Restricted funds	-	732,528	732,528
Total Funds	16,818	732,528	749,346

12 Capital

The Foundation is a company limited by guarantee. The sole member has undertaken to contribute £1 to the assets of the Foundation to meet its liabilities if called on to do so.

13 Related party transactions

The sole member of the Foundation is Sumerian Partners Limited, a company registered in England and Wales. Ms Isabelle Irani is a trustee of the Foundation and also a director of Sumerian Partners Ltd. Mrs Amy Gutcher is a trustee of the Foundation and also an employee of Sumerian Partners Limited. Sumerian Partners Limited gave an unrestricted donation of £25,000 in 2016 and £5,000 in 2021 to Sumerian Foundation, for the furtherance of its charitable objects.

In 2017 Sumerian Foundation engaged Sumerian Partners Limited to provide business skills support and mentoring to the Foundation's social investments. A Service Level Agreement has been put in place by the independent Trustees of the Foundation for this work. During the year £176,468 was incurred under this agreement with Sumerian Partners Limited (2020: £145,512) which is included in direct costs in note 3. The agreement also allows for pro bono services to be provided by Sumerian Partners Limited to the Foundation, including office space and administration. The Trustees believe that the value of pro bono services cannot be measured reliably, hence these have not been included in the financial statements. The agreement is reviewed annually by the Independent Trustees.