

Sumerian Foundation

(a company limited by guarantee)

Report of the trustees and financial statements for the year ended 31 December 2023

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	Appointed December 2023
Dr Chris West	
Mrs Amy Gutchner	Resigned December 2023
Mr Nicholas Colloff	Chair
Mr Rupesh Chatwani	Resigned December 2023
Ms Clare Woodcraft	
Mr Rahul Moodgal	

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 2023

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 2023. 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 predetermined 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 2023, unrestricted donations of £52,000 have been 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 2023 (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 2023	Expenditure
Reducing 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.	£ 276,663
Africa Healthcare	We aimed to provide a continuation in post investment support to our one ‘impact first’ investment social enterprise in Africa.	£ 98
Advocacy on venture philanthropy	We continued to work with other organisations to share our lessons learned.	-

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 2023 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 this and coming years for work on reducing UK social inequality, totalling £262k
- Making four further ‘impact first’ investments (programme-related investments) in social enterprises in the UK, in the areas of education and employability, mental health for young people, housing and homelessness, and supporting vulnerable people
- Identifying a pipeline of potential social enterprises who work on reducing social inequality in the UK to receive funding
- Identifying further funders for work reducing social inequality in the UK

As part of these achievements, SF now has a portfolio of 17 ‘impact first’ investees as at 31st December 2023, being a mixture of equity investments and concessionary loans. These are held on the Balance Sheet at cost less any provision for impairment. 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 an ‘impact first’ investment approach in the sector
- Advocating for an inclusive investment approach for diverse social entrepreneurs

Report of the trustees for the year ended 31 December 2023 (cont.)

Financial Review

Financial Activities

The Statement of Financial Activities is included with the financial statements on page 9. During the year SF received income of £360k (2022: £329k), of which £331k is restricted for use on 'impact first' investments in social enterprises in the UK, and supporting those social enterprises as they grow. £277k (2022: £257k) was spent on charitable activities, supporting SF's portfolio of social enterprises and advocating for an 'impact first' and inclusive investment approach in the sector. £375k was used as 'impact first' investments, this was in the form of concessionary loans. At the year end, total funds were £1.06m (2022: £981k), of which £1.01m is restricted (2022: £956k).

Principal Funding Sources

During 2023, the Foundation's funding sources were donations and non-recourse loans from other charities, alongside some donations from companies. Further funding sources are being sought for 2024 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 holds one 'impact first' investment 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 SF's ability to raise further funds to achieve its objectives, and the performance of the social enterprises SF supports, who were impacted during the year by the inflationary environment in the UK.

Reserves

The Foundation kept its reserves policy the same as the prior year, which is 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 £75k. At the year end the Foundation held total funds of £1.06m, of which £53k was in free reserves, which is sufficient to cover core operating costs and the skills support costs for at least one year, as restricted reserves are also currently held for skills support costs for at least one year.

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 2023 (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 Nicholas Colloff
Trustee

Date:

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 2023 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

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a registered member of the Association of Chartered Certified Accountants which is one of the listed bodies.

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 2023

Company Registered Number: 10234246

		Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Total Funds 2022 £
	Note				
Income & endowments from					
- Donations & legacies	2	12,000	312,352	324,352	323,205
- Charitable activities	2	-	-	-	-
- Investment Income	2	17,733	18,375	36,108	5,651
Total Income		29,733	330,727	360,460	328,856
Expenditure on					
- Charitable activities		(1,586)	(275,175)	(276,761)	(256,904)
Total Charitable Activities	3	(1,586)	(275,175)	(276,761)	(256,904)
Total Expenditure		(1,586)	(275,175)	(276,761)	(256,904)
Net income/(expenditure)		28,147	55,552	83,699	71,952
Other gains/(losses)		-	(5,143)	(5,143)	12,077
Net Movement in Funds		28,147	50,409	78,556	84,029
Fund balances brought forward at 1 January		25,144	955,771	980,915	896,886
Fund balances carried forward at 31 December		53,291	1,006,180	1,059,471	980,915

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 2023

	Note	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Total Funds 2022 £
Fixed Assets					
Social investments	6	-	637,000	637,000	537,000
Total Fixed Assets		-	637,000	637,000	537,000
Current Assets					
Debtors	7	-	1,433,667	1,433,667	994,181
Cash at bank and in hand	8	54,691	919,579	974,270	390,994
Total Current Assets		54,691	2,353,246	2,407,937	1,385,175
Creditors - accruals: amounts falling due within one year	9	(1,400)	(694,066)	(695,466)	(1,260)
Net Current Assets		53,291	1,659,180	1,712,471	1,383,915
Total Assets less Current Liabilities		53,291	2,296,180	2,349,471	1,920,915
Creditors – long term loan: amounts falling due after more than one year	9	-	(1,290,000)	(1,290,000)	(940,000)
Net Assets		53,291	1,006,180	1,059,471	980,915
The funds of the Foundation:					
Unrestricted funds	10	53,291	-	53,291	25,144
Restricted funds	10	-	1,006,180	1,006,180	955,771
Total Funds		53,291	1,006,180	1,059,471	980,915

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 18 were approved by the trustees and signed on their behalf by:

Mr Nicholas Colloff
Trustee

Date:

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

Statement of Cash Flows for the year ended 31 December 2023

	2023 £	2022 £
Cash flows from operating activities		
Net cash (used in)/provided by operating activities	338,419	(522,707)
Cash flows from investing activities		
Purchase of programme related investments	(100,000)	(80,000)
Net cash provided by (used in) investing activities	(100,000)	(80,000)
Cash flows from financing activities		
Cash inflows from new borrowing	350,000	575,000
Net cash provided by (used in) financing activities	350,000	575,000
Change in cash and cash equivalents in the reporting period	588,419	(27,707)
Cash and cash equivalents at the beginning of the reporting period	390,994	406,623
Change in cash and cash equivalents due to exchange rate movement	(5,144)	12,077
Cash and cash equivalents at the end of the reporting period	974,270	390,994
 Reconciliation of net income to net cash flow from operating activities		
Net income for the reporting period (as per the statement of financial activities)	83,699	71,952
<i>Adjustments for:</i>		
(Increase)/decrease in debtors	(439,486)	(501,060)
Increase/(decrease) in creditors	694,206	(93,599)
Net cash provided by (used in) operating activities	338,419	(522,707)

Notes to the financial statements for the year ended 31 December 2023

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 £53,291 and sufficient funds to undertake its activities in 2024. 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. Interest income from cash held in bank accounts is recognised when received, and interest income from investments is recognised when receipt is probable and its amount can be measured reliably.

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 on loans given from funds donated to the charity is charged to the Statement of

Financial Activities. Any impairment on concessionary loans given directly from non-recourse loans received by the charity are charged against this loan.

Creditors

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. Non-recourse long term loans are recognised at cost less any impairments that directly arise from impairments of onward loans. Gains and losses arising on utilisation of non-recourse loans are not charged to the Statement of Financial Activities.

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.

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 charity 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

	2023 £	2022 £
<i>Unrestricted</i>		
Donations & gifts	12,000	10,000
Charitable activities	-	-
Investments	17,733	-
<i>Restricted</i>		
Donations & gifts	312,352	313,205
Investments	18,375	5,651
Donated services		
Donations & gifts	-	-
	360,460	328,856

Included within restricted donations & gifts are grants from Comic Relief totalling £112,352 (2022: £127,205), Access Foundation totalling £87,500 (2022: £175,000) for providing investment readiness skills support to social enterprises; and Cardec Trust totalling £62,500 (2022: £nil) to make impact first investments and provide investment readiness skills support to social enterprises. Donated services were not received in either year.

3 Charitable Activities Expenditure

	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Total Funds 2022 £
UK Social Inequality facility	(1,586)	(275,077)	(276,663)	(242,798)
Africa Healthcare facility	-	(98)	(98)	(14,106)
	(1,586)	(275,175)	(276,761)	(256,904)

Analysis of expenditure on charity activities:

	Direct costs £	Support costs £	Total 2023 £	Total 2022 £
UK Social Inequality facility	(266,477)	(10,186)	(276,663)	(242,798)
Africa Healthcare facility	-	(98)	(98)	(14,106)
	(266,477)	(10,088)	(276,761)	(256,904)

Prior period comparatives:

Charitable Activities Expenditure

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £
UK Social Inequality facility	(7,066)	(235,732)	(242,798)
Africa Healthcare facility	(179)	(13,927)	(14,106)
	(7,245)	(249,659)	(256,904)

Analysis of expenditure on charity activities:

	Direct costs £	Support costs £	Total 2022 £
UK Social Inequality facility	(235,732)	(7,066)	(242,798)
Africa Healthcare facility	(13,927)	(179)	(14,106)
	(249,659)	(7,245)	(256,904)

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 £1,400 has been recognised for independent examination of the accounts (2022: £1,490). 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 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 2023 £	Programme related investments 2022 £
Cost less impairment brought forward at 1 January	537,000	457,000
Purchases	100,000	100,000
Sales	-	(20,000)
Impairment	-	-
Total social investments	637,000	537,000

The Foundation holds six impact first investments (programme-related 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, ordinary shares in Thrive Therapeutic Software Ltd, preference shares in 2-3 Degrees Ltd, and preference shares in New Leaf Initiative CIC. 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. Thrive Therapeutic Software provides individuals with evidence based mental health solutions via an NHS approved app. 2-3 Degrees provides employability and self esteem workshops for young people from disadvantaged areas. New Leaf Initiative provides ex-offenders with a programme of support and training as they leave prison.

7 Debtors

	2023 £	2022 £
Other debtors <1yr	269,992	-
Other debtors >1yr	1,163,675	994,182
Total debtors	1,433,667	994,182

Debtors due in less than one year include the following concessionary loans:

- Equal Education - a social enterprise working towards providing tutors for looked after children and those with special educational needs. Unsecured loan of £70k (2022: £70k) 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 12 months.
- Pinc College – an education organisation providing specialist education courses to young people with complex mental health needs. Loan term detailed below. Repayment of £19k due in less than one year.

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 £116k (2022: £127k) 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 (2022: £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 Centre - a hospital serving the community in Naivasha in Kenya with affordable healthcare. Unsecured loan of £112k (2022: £117k) 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.
- The Hummingbird Project – a community interest company providing mental health services for communities and corporates in Northern Ireland. Unsecured loan of £85k (2022: £85k) in the form of a revenue share agreement, whereby the loan is repaid as 2% of revenues, up to a cap of 1.1x the original amount, with a repayment holiday of 18 months.
- Fat Macy's CIC – a community interest company that works on preventing homelessness by providing training opportunities to people living in hostels. Unsecured loan of £130k (2022: £130k) in the form of a revenue share agreement, whereby the loan is repaid as 2% of revenues up to a cap of 1.2x the original amount, with a repayment holiday of 11 months.
- Pinc College – an education organisation providing specialist education courses to young people with complex mental health needs. Unsecured loan of £181k (2022: £200k) in the form of a revenue share agreement, whereby the loan is repaid as 1% of revenues up to a cap of 1.6x the original amount, with a repayment holiday of 15 months.
- TellJo – a company that specialises in identifying and supporting vulnerable people, particularly those falling into arrears on bill payments. Unsecured loan of £150k (2022: £150k) in the form of a revenue share agreement, whereby the loan is repaid as 2% of revenues up to a cap of 1.8x the original amount, with a repayment holiday of 15 months.
- 2-3 Degrees – a company that provides employability and self esteem workshops for young people from disadvantaged areas. Unsecured loan of £65k (2022: nil) in the form of an interest free loan, whereby the loan will convert to the same terms as a follow on investor.
- Paws & Pause – a dog daycare centre offering trainee placements to people who are unemployed with experience of mental ill health and substance use, to gain confidence for a return to work. Unsecured loan of £85k (2022: £nil) in the form of a revenue share agreement, whereby the loan is repaid as 2% of revenues up to a cap of 2x the original amount with a repayment holiday of 12 months.
- Farm Urban - Unsecured loan of £125k (2022: £nil) in the form of a revenue share agreement, whereby the loan is repaid as 2% of revenues up to a cap of 2x the original amount with a repayment holiday of 12 months.
- bthechange CIC - a community interest company providing support services to people affected by the Criminal Justice System. Unsecured loan of £100k (2022: £nil) in the form of a revenue share agreement, whereby the loan is repaid as 2.5% of revenues up to a cap of 1.5x the original amount with a repayment holiday of nine months.

Debtors due in more than one year are after impairment provision on concessionary loans of £85k at the year end due to remote possibility of recoverability. This impairment on concessionary loans made directly from non-recourse loans received by the Foundation, are charged against non-recourse loans.

8 Cash at bank and on hand

	2023 £	2022 £
Cash at Bank	974,270	390,994
Total cash at bank and on hand	974,270	390,994

9 Creditors

	2023 £	2022 £
Creditors due <1yr	695,466	1,260
Creditors due after more than five years	1,290,000	940,000
Total creditors	1,985,466	941,260

Included within Creditors due in one year is deferred grant income received during the year totalling £637,500 (2022: £nil) to make impact first investments and provide investment readiness skills support to social enterprises.

Creditors due after more than five years consist of a non-recourse loan of £260k to be repaid in 2029, and a non-recourse loan of £1,030k to be repaid in 2031. These non-recourse loans are used to make concessionary loans as disclosed in note 7. The non-recourse loan is after an impairment provision of £85k due to remote possibility of recoverability of concessionary loans made by the Foundation. This impairment on concessionary loans made directly from non-recourse loans received by the Foundation, are charged against non-recourse loans.

10 Funds

	Balance 1 Jan 2023 £	Incoming Resources £	Resources Expended £	Balance 31 Dec 2023 £
Unrestricted Funds	25,144	29,733	(1,586)	53,291
Restricted Funds	955,771	330,727	(280,318)	1,006,180
	980,915	360,460	(281,904)	1,059,471

The prior year funds and movements were:

	Balance 1 Jan 2022 £	Incoming Resources £	Resources Expended £	Balance 31 Dec 2022 £
Unrestricted Funds	22,389	10,000	(7,245)	25,144
Restricted Funds	874,497	318,856	(237,582)	955,771
	896,886	328,856	(244,827)	980,915

Restricted funds in the current and prior year relate to the Foundation's UK Social Inequality charitable activities and Africa Healthcare charitable activities. The restricted fund balance at the 2023 year end, represents net investments and concessionary loans after deducting the Foundation's non-recourse loan liability, in 17 social purpose organisations as explained in notes 6 and 7.

11 Prior year Balance Sheet

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £
Fixed Assets			
Social investments	-	537,000	537,000
Total Fixed Assets	-	537,000	537,000
Current Assets			
Debtors	-	994,181	994,181
Cash at bank and in hand	26,404	364,590	390,994
Total Current Assets	26,404	1,358,771	1,385,175
Creditors - accruals: amounts falling due within one year	(1,260)	-	(1,260)
Net Current Assets	25,144	1,358,771	1,383,915
Total Assets less Current Liabilities	25,144	1,895,771	1,920,915
Creditors – long term loan: amounts falling due after more than one year	-	(940,000)	(940,000)
Net Assets	25,144	955,771	980,915
The funds of the Foundation:			
Unrestricted funds	25,144	-	25,144
Restricted funds	-	955,771	955,771
Total Funds	25,144	955,771	980,915

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. Dr Chris West is a trustee of the Foundation and also a director of Sumerian Partners Ltd. Ms Isabelle Irani is a trustee of the Foundation and also a director of Sumerian Partners Ltd. Mrs Amy Gutcher was a trustee of the Foundation during the year and also an employee of Sumerian Partners Limited. Sumerian Partners Limited gave an unrestricted donation of £25,000 in 2016, £5,000 in 2021, £10,000 in 2022 and £12,000 in 2023 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 £242,066 was incurred under this agreement with Sumerian Partners Limited (2022: £246,951) 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.