

THE BIG ISSUE FOUNDATION
(A Charity and a Company Limited by Guarantee)

Charity No: 1049077
Company No: 3049322

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST MARCH 2010



The Big Issue Foundation

Contents

	Page
Trustees' Report	1 to 7
Independent Auditors' Report	8
Statement of Financial Activities	9
Balance Sheet	10
Notes to the Financial Statements	11 to 17

The Big Issue Foundation

Trustees' Report

For the year ended 31 March 2010

Reference and Administration Information

The charity is a charitable company limited by guarantee and is governed by its Memorandum and Articles of Association which were last amended on 27 January 2009. The charity was registered with the Charity Commissioners on 5 November 1995. Its registration number is 1049077, and its company number is 3049322.

Trustees

The trustees, who are also directors of the charity, are appointed by invitation on the Board by existing trustees.

The trustees during the year were

A John Bird, MBE	(Resigned 29th June 2010)
Jonathan Lachmann (Treasurer)	
Peter Welch	
Steve Round (Chairman)	
David Snowden	
Carolyn Aitchison	
Peter Cox	(Resigned 14th September 2010)
Claire Denholm	(Resigned 29th June 2010)
Patrick Foster	(Appointed 16th March 2010)
Alison Jenson	(Appointed 16th March 2010)
Eric Barnett	(Appointed 16th March 2010)
Heidi Steward	(Appointed 16th March 2010)
Parveen Bird	(Appointed 29th June 2010)
David Akinsanya	(Appointed 21st September 2010)

Chief Executive

Stephen N Robertson

Registered Office

1-5 Wandsworth Road
London
SW8 2LN

Principal Advisors

Bankers

Nat West
358 South Lambeth Road
Stockwell
London
SW8 1UR

Solicitors

Simmons and Simmons
Citypoint
One Ropemakers St
London
EC2Y 9SS

Auditors

Kingston Smith LLP
Chartered Accountants and Registered Auditors
Devonshire House
60 Goswell Road
London
EC1M 7AD

The Big Issue Foundation

Trustees' Report

For the year ended 31 March 2010 (Continued)

Structure, Governance and Management

The Chief Executive of The Big Issue Foundation, a member of staff, is responsible for the day to day running of the organisation and is responsible to the Trustees

The trustees of The Big Issue Foundation present their report and financial statements for the year ended 31 March 2010. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued October 2005 in preparing their report and the financial statements

Trustees serve for a three year period and may be re-elected provided total service does not exceed nine years. New members are invited to join the board by existing trustees. The goal of the trustees is to ensure the board includes a mix of skills and experience ranging from homelessness and the homelessness service sector through to financial management. The trustees meet quarterly. A finance committee, comprising four trustees, meets every two months and is charged with the responsibility of reviewing the charity's strategic plans, management accounts and performance against budget, fundraising progress, and risk assessment. The committee prepares recommendations and reports back to the Board of Trustees, who use the information provided by the committee to make decisions.

New trustees are identified through placing ads in The Big Issue magazine and through contacts of existing trustees and from within the homelessness sector. The induction process for any new trustee comprises initial meetings with the chairman, existing trustees, the senior management team and the Chief Executive. The trustees induction pack comprises a range of background information on the charity's history and recent activities and includes a copy of the Memorandum and Articles of Association, the minutes of recent Board meetings, the last 3 years' Report and Accounts. A half day induction also takes place at the Foundation offices. On going training is provided as required through meetings and away days.

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

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

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make 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 company will continue in business.

The trustees are responsible for keeping proper 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.

The system of internal control implemented by the trustees are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include

- a regular plan and an annual budget approved by the trustees,
- regular review by the trustees of the financial results, variance from budgets and non-financial performance indicators,
- identification and management of business risks.

The Big Issue Foundation

Trustees' Report

For the year ended 31 March 2010 (Continued)

The trustees have introduced a formal risk management process to assess business risks and implement risk management strategies. This process comprises of identifying the types of risks the charity faces, prioritising them in terms of potential impact and likelihood of occurrence and identifying strategies and processes to mitigate the risks. These strategies and processes have been developed and implemented. The trustees are of the view that the charity's operations are better served if cash reserves are held in a low-risk environment and be readily available, and accordingly have chosen to retain such funds in bank accounts.

Objects, Aims, Objectives and Activities for the Public Benefit

To complement the self-help ethos of The Big Issue Magazine, The Big Issue Foundation was established in 1995 to assist homeless people, predominantly those selling the magazine, to gain greater self reliance and independence.

The objects of the charity are

- a) the relief of poverty, with particular reference to the needs of homeless persons,
- b) the advancement of education and the promotion of training for employment, with particular reference to the needs of homeless persons,
- c) the provision of facilities for recreation or other leisure time occupations in the interests of social welfare in general,
- d) the promotion of any other charitable purpose for the benefit of the public

These objects are achieved by providing a gateway to a range of support services, both within the community and on site, including housing and resettlement, employment education and training, and specialist health services. The services are based in London, the South East, East Anglia, the Midlands, and the South West. Together with The Big Issue in the North Trust and the Big Issue Foundation in Scotland, we form a national alliance providing street based services for homeless people, enabling them to take control of their lives and move on from homelessness.

The Foundation has moved itself on from being a traditional and successful service provider for homeless people. We have developed an exciting and innovative model based on the unique trust that we develop with Big Issue vendors, many of whom do not access other services, this model has now been implemented for over 3 years.

The model that the Foundation uses is termed Service Brokerage. The Service Broker works alongside a vendor, whether in our offices or on the streets, to ensure that the vendor has support in accessing the best services and agencies that meet their needs.

The Service Brokers have detailed knowledge of the best services and agencies that can deliver support for the vendor's individual needs. This can be in a particular area, or across specialities. The Service Broker makes appointments, makes introductions and accompanies vendors to interviews with the identified providers.

Service Brokers have experience of the quality and suitability of different service providers and will seek feedback from vendors on the services they have accessed and if these matched their expectations.

The Foundation also instigates partnerships with other service providers. These include the provision of support services in Foundation offices by these service providers. This eliminates duplication and competition amongst the large number of homelessness agencies and is, therefore, a much more efficient use of resources.

The Big Issue Foundation

Trustees' Report

For the year ended 31 March 2010 (Continued)

What we have achieved in the last year

We have made a total of 13,631 contacts with vendors,

- 4,357 - Sales
- 1,500 - Money Management
- 1,554 - Accommodation
- 1,768 - Health
- 1,332 - Overcoming Addictions
- 1,601 - Aspirations
- 1,509 - Additional Work

Although The Big Issue Foundation is sold across the UK, The Big Issue Foundation currently has support services operating out of regional offices in London, Brighton, Bath, Bristol, Bournemouth, Oxford and Birmingham

What our Vendors have achieved in the last year

Our vendors have achieved a total of 1,124 outcomes

- 585 - Achieved personal sales goals
- 13 - Bank/Credit union account opened
- 73 - Re-housed in temporary accommodation
- 30 - Re-housed in permanent accommodation
- 90 - Accessed the Health Service
- 17 - Started substance misuse treatment
- 41 - Accessed addiction treatment
- 275 - Achieved personal aspirations

It is often necessary to address several other factors before an aspiration is able to be fulfilled. For example, an addiction can be all consuming and prevent a person from progressing in other aspects of their life. Our needle exchange and drug & alcohol drop in sessions cover the issue of addiction being a barrier to achieving aspirations and give advice on how to overcome this.

Opening a bank account is another vital step for someone moving back into mainstream society. It is fundamental to getting a job and even paying your rent. Without a bank account, many vendors are forced to keep their money on their person - one in three of our vendors have been mugged for their takings. Our teams build strong relationships with local branches of banks in order to lower the barriers and facilitate the opening of a bank account by our vendors. The process of recovering identification, opening a bank account and reclaiming citizenship is often a very long one due to a combination of long term exclusion and distrust of the banking system.

In the mean time Foundation offers intermediary solutions such as in house vendor saving's accounts whereby vendors can regularly bank some of their earnings which allows them to buy more magazines and be more self sufficient in case of opportunity or emergency.

Additionally we have achieved a great deal of soft outcomes with our vendors such as

- An increase in confidence
- Better organisational skills, sales & pitch management
- Improved sales skills leads to higher income
- Setting of immediate and long term goals
- Gaining a better idea of opportunities available to them

The Big Issue Foundation

Trustees' Report

For the year ended 31 March 2010 (Continued)

The following personal aspirations achieved by some of our vendors provide a good illustration of the variety of ways progress can be achieved with our help and support

- 3 vendors joined the gym through the get active scheme
- 1 vendor started a football team in the local night shelter
- 1 vendor met up with estranged children at Christmas
- 1 vendor passed his driving test and received his licence
- 4 vendors attended a basic computer skills course and a basic skills English course
- 1 vendor passed his exams to become a civil enforcement officer
- 1 vendor completed a one week placement in a bakery
- 1 vendor started an apprenticeship at Poole College
- 1 vendor entered the Army
- 5 vendors started work

The long term difference we make.

We actively promote vendor progression and re-entry into main stream society, people who have proved themselves trustworthy and reliable are given the opportunity to become vendor coordinators. We currently have nine of these positions which are responsible for managing the magazine stock and sales process at local distribution points, and for training new vendors. Additionally several Big Issue vendors have become full time paid employees of the organisation.

We are building partnerships with businesses such as Cadbury, Price Waterhouse Coopers, Simmons & Simmons LLP and Freshfields to offer Big Issue vendors the opportunity to sell the magazine within these firms. In addition to sales this gives opportunities for the vendor to develop in confidence and to seek mentoring and training within those companies. It is also a good way to raise the profile of The Big Issue within the corporate setting and for Big Issue vendors to challenge the stereotypes that many are subjected to.

The Future

Our organisational aspirations for the future are

- 1 To fund and deliver our services nationwide
- 2 To innovate around the concept of our Service Brokerage model and provide greater on street help and support to vendors

In 2009/2010, The Big Issue attracted over 5000 new vendors. Only 50% of these vendors were still selling the magazine four weeks after their initial induction. Our future activities will be concentrating on supporting vendors in these first weeks of selling the magazine, to retain them as vendors and help them follow their aspirations.

Due to the uncertain economic climate we are aware of the need to have long term sustainable income, as such we increased our cost of generating funds expenditure by over 35%, we introduced new events into the current program and invested in a Door - Door campaign that will provide new long term donors for the Foundation.

The Big Issue Foundation

Trustees' Report

For the year ended 31 March 2010 (Continued)

The success of our work with vendors is reliant on our valuable partnerships across the country

South West

Next Steps
 Bath Churches Housing Association
 Bath Alcohol and Drugs Advisory Services
 Community Drug and alcohol services
 Bath Self Help Housing Association
 City of Bath College
 Solon Housing Association
 NHS Walk-in clinic
 Bath and North East Somerset Council, Homeless Strategy group
 Julian House
 DHH Drugs and Homeless Initiative
 The Foyer
 Genesis Trust
 Community Learning Service – Bath City College
 Norton Radstock College
 UWF – University of the West of England
 The Shaw Trust
 The Change Trustees
 The Salvation Army pre-resettlement team
 Bristol Credit Union
 Various drug and alcohol agencies
 Bristol Drugs Project,
 Bristol Support Drugs Service plus relevant statutory agencies
 Compass Centre
 Redwood House
 Places for People
 Missing Link
 Second Step
 Tomorrow's People
 Meaningful Occupation Group
 Business In The Community
 Local colleges
 Aspire
 Outreach Rough Sleepers
 Peoples Republic of Stokescroft
 The Hub
 Health and Advice for Single Homeless
 Community Mental Health Teams and the Local Primary Care Trust
 Shelter
 Bournemouth Churches Housing Association,
 Local Authorities
 Homelessness Strategy Forums
 Bournemouth Housing Forum
 NHS outreach worker
 WICS local education and training providers
 Drug and Alcohol agencies such as EDAS
 Outreach street services

West Midlands

Business in the Community's Ready for Work Scheme
 The Shaw Trust
 GB Training
 Sifa Fireside
 Cara- Cara Irish HA's Gypsies and Travellers Floating Support Service
 Addiction
 Fit for Life

East Midlands

NORCAS
 St Matthews Project
 St Martins Housing
 City Reach health facility
 Norfolk voluntary organisation
 Norwich City Learning
 Matrix

South East

St Patrick's Night shelter
 CRI Street Services Team
 Brighton Housing Trust
 Brighton Jubilee Library
 Citizens Advice
 Rough Sleepers team
 YAC
 Off The Fence
 St Anne's Day Centre
 Mind
 Homeless mental health team
 11 St Georges Place
 Emmaus
 Unemployed Family Centre Families Project
 First base day centre

London

Services Against Financial Exclusion
 Credit Action
 Capitalise
 Broadway London
 Two Steps
 Mainliners
 Alcohol recovery project
 Local authorities
 Sears recycling
 Connection at St Martins
 Turnaround E1
 St Giles Trust
 Crisis skylight
 Great Chapel Street Health Centre
 St Mungos
 Homeless Link

The Big Issue Foundation

Trustees' Report

For the year ended 31 March 2010 (Continued)

Public Benefit

The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit

The purpose of the charity is enshrined in its objects to provide for the relief of poverty, the advancement of education, the promotion of training for employment, with particular reference to the needs of homeless persons and the provision of facilities for recreation or other leisure time occupations in the interest of social welfare in general

The Big Issue Company and Foundation seeks to empower the homeless and vulnerably housed community by giving them the opportunity to become Vendors, this section of the community are some of the most disadvantaged individuals in society. The Foundation supports the Vendors by accessing and offering advice in 4 key areas of Health, Money Management, Housing and Aspirations. This is delivered by referrals to specialist services, our Service Brokers develop working relationships with existing agencies that can support our Vendors, many of whom would not be able to find these agencies without our help or would be too intimidated to approach them alone. Our partner agencies also get to access a hard to reach group so the partnership works both ways. The direct beneficiaries of our work are Big Issue vendors and any member of the homeless community who wish to become a vendor, the indirect beneficiaries are the communities where the vendors sell their magazines. These communities benefit from a decline in begging and anti-social behaviour when homeless people have the opportunity to earn a living, vendors also become respected and trusted members of the community.

Financial Position

The deficit for the year was £19,186 comprising a deficit in restricted funds of £17,876, a surplus in unrestricted funds of £50,780 and a spend in designated funds of £52,090

Total income for the year equalled £1,043,483 which equates to a 6.35% decrease in income from 2009. The shift away from statutory grants continued in the year, with a greater relative focus on donations, events and gifts. In addition, total expenditure for the year rose by 5.68% from 2009 to £1,062,669.

Reserves Policy

The Trustees have reviewed the reserves of the charity. To safeguard the core activities in periods of fluctuating income, the Trustees have determined to establish unrestricted reserves to cover three months operational costs (approximately £265,674). Unrestricted reserves at 31 March 2010 were a surplus of £273,498 (2009 surplus £250,127), designated funds were £77,910 (2009 £80,000) and restricted reserves were £35,050 (2009 £75,517).

Audit Information

In accordance with company law, as the company's directors, we certify that

- so far as we are aware, there is no relevant audit information of which the company's auditors are unaware, and
- as the directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information

Auditors

Kingston Smith LLP have indicated their willingness to continue in office. A resolution proposing their reappointment will be submitted at the Annual General Meeting.

Small Companies

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

On behalf of the Board



Steve Round
Chairman

Date 16.12.10

Independent Auditors' Report to the Members of The Big Issue Foundation

We have audited the financial statements of The Big Issue Foundation for the year ended 31 March 2010 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken for no purpose other than to draw to the attention of the charitable company's members those matters which we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Trustees and Auditors

The trustees' (who are also the directors of the charitable company for the purposes of company law) responsibilities 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) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006. We also report to you whether, in our opinion, the information given in the Trustees' Annual Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept adequate accounting records, if the charitable company's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

We read the Trustees' Annual Report and consider the implication for our report if we become aware of any apparent misstatements within it.

Basis of Audit Opinion

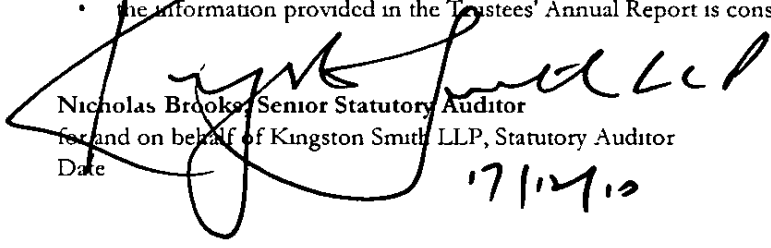
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view of the state of the charitable company's affairs as at 31st March 2010 and of its incoming resources and application of resources, including its income and expenditure for the year then ended,
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- the financial statements have been prepared in accordance with the Companies Act 2006, and
- the information provided in the Trustees' Annual Report is consistent with the financial statements.


Nicholas Brooke, Senior Statutory Auditor
for and on behalf of Kingston Smith LLP, Statutory Auditor
Date 17/12/10

Devonshire House
60 Goswell Road
London EC1M 7AD

The Big Issue Foundation
Statement of Financial Activities
(Incorporating Income and Expenditure Account)
For the year ended 31 March 2010

	Note	Unrestricted Funds £	Designated Fund £	Restricted Funds £	Total Funds 2010 £	Total Funds 2009 £
Income and Expenditure Account						
Incoming Resources						
Incoming resources from generated funds						
Voluntary income	2	847,924	-	181,701	1,029,625	1,089,627
Bank interest		509	-	-	509	4,779
Incoming resources from charitable activities						
Statutory grants	3	-	-	13,349	13,349	19,873
Total Incoming Resources		<u>848,433</u>	<u>-</u>	<u>195,050</u>	<u>1,043,483</u>	<u>1,114,279</u>
Resources Expended						
Cost of generating funds						
Costs of generating voluntary income		481,674	52,090	2,619	536,383	384,316
Charitable activities		265,361	-	210,307	475,668	567,348
Governance		50,618	-	-	50,618	53,877
Total Resources Expended	4	<u>797,653</u>	<u>52,090</u>	<u>212,926</u>	<u>1,062,669</u>	<u>1,005,541</u>
Net Incoming/(Outgoing) Resources before Transfers		50,780	(52,090)	(17,876)	(19,186)	108,738
Transfers between funds	10 & 11	<u>(27,409)</u>	<u>50,000</u>	<u>(22,591)</u>	<u>-</u>	<u>-</u>
Net movement in funds		23,371	(2,090)	(40,467)	(19,186)	108,738
Balance brought forward		<u>250,127</u>	<u>80,000</u>	<u>75,517</u>	<u>405,644</u>	<u>296,906</u>
Balance Carried Forward		<u><u>273,498</u></u>	<u><u>77,910</u></u>	<u><u>35,050</u></u>	<u><u>386,458</u></u>	<u><u>405,644</u></u>

All amounts relate to continuing activities

All recognised gains and losses are included in the Statement of Financial Activities

The notes on pages 11 to 17 form part of these financial statements

The Big Issue Foundation

Balance Sheet at 31 March 2010

	Note	2010 £	2009 £
Fixed Assets			
Tangible assets	7	5,530	10,287
Current Assets			
Debtors	8	47,962	44,636
Cash at bank and in hand		<u>417,304</u>	<u>485,068</u>
		<u>465,266</u>	<u>529,704</u>
Creditors Amounts falling due within one year	9	<u>(84,338)</u>	<u>(134,347)</u>
Net Current Assets		<u>380,928</u>	<u>395,357</u>
Net Assets		<u><u>386,458</u></u>	<u><u>405,644</u></u>
Funds			
Restricted	10	35,050	75,517
Unrestricted	11	273,498	250,127
Designated Funds	11	<u>77,910</u>	<u>80,000</u>
		<u><u>386,458</u></u>	<u><u>405,644</u></u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006

These financial statements were approved by the Board and authorised for issue on 16/12/2010 and signed on its behalf by



Steve Round
Chairman

The notes on pages 11 to 17 form part of these financial statements

The Big Issue Foundation

Notes to the Financial Statements

For the year ended 31 March 2010

1 Accounting Policies

Basis of Accounting

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

The following principal accounting policies have been consistently applied in preparing the financial statements

Income and Expenditure Recognition

Donations, grants and covenant income are accounted for when receivable

Expenditure is recognised on an accruals basis. Direct expenditure is recorded on the basis of the actual activity. Charitable expenditure comprises direct costs incurred in providing vendor support and jobs, education and training services, as well as a portion of the Regional Managers and Chief Executive's salaries, representing the cost of time spent managing service activities and supervising employees providing the services. Costs of generating funds include the direct fundraising and publicity costs, as well as a portion of the Regional Managers, Finance and Chief Executive's salaries, representing the cost of time spent preparing funding proposals, planning and executing fundraising activities, and liaising with and reporting to funders. Governance costs are those incurred in the governance of the charity and are primarily associated with the constitutional and statutory requirements.

Expenditure Allocation

In the regional offices, where employees are responsible for both vendor services and jobs, education and training services, expenditure is allocated between the two types of services on the basis of the percentage of time the office spends on each type of service. The Chief Executive and Regional Managers' salaries are allocated between charitable expenditure, cost of generating funds and governance costs on the basis of estimated time spent on each type of task, as follows: Charitable expenditure 75%, costs of generating funds 15.5%, and governance costs 9.5%.

Support costs have been allocated to activity cost categories on a basis consistent with the use of the resource.

Donated Assets

Donated assets are capitalised at a value estimated to be their market value at the time of donation.

Depreciation of Tangible Fixed Assets

Items with a value greater than £250 are capitalised. Depreciation is provided on all tangible fixed assets, so as to write them off over their useful economic lives of three years on a straight line basis.

Fund Accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Restricted funds are funds that are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The aim and use of each restricted fund is set out in note 10.

Designated funds are unrestricted general funds that have been set aside by the Trustees for use on specific projects. The Trustees may transfer them back to unrestricted general funds if there is no longer a requirement for the expenditure to be made.

The Big Issue Foundation
Notes to the Financial Statements
For the year ended 31 March 2010 (Continued)

2 Voluntary Income		Unrestricted Funds	Restricted Funds	Total Funds 2010	Total Funds 2009	
		£	£	£	£	
General donations		813,974	12,230	826,204	633,657	
Charitable trusts		19,833	168,321	188,154	129,118	
Corporate donations		5,286	1,150	6,436	750	
Legacies		8,831	-	8,831	326,102	
		<u>847,924</u>	<u>181,701</u>	<u>1,029,625</u>	<u>1,089,627</u>	
3 Statutory Grants		Unrestricted Funds	Restricted Funds	Total Funds 2010	Total Funds 2009	
		£	£	£	£	
Big Lottery Fund		-	13,349	13,349	19,873	
		<u>-</u>	<u>13,349</u>	<u>13,349</u>	<u>19,873</u>	
4 Resources Expended		Staff Costs	Direct Costs	Support Costs	Total Funds 2010	Total Funds 2009
		£	£	£	£	£
Costs of generating funds						
Costs of generating voluntary income	233,576	293,990	8,817	536,383	384,316	
Charitable activities						
Service Brokerage	331,613	120,343	23,712	475,668	567,348	
Governance						
	37,745	10,094	2,779	50,618	53,877	
	<u>602,934</u>	<u>424,427</u>	<u>35,308</u>	<u>1,062,669</u>	<u>1,005,541</u>	
Total Expenditure						
	<u>602,934</u>	<u>424,427</u>	<u>35,308</u>	<u>1,062,669</u>	<u>1,005,541</u>	
2009 Total Expenditure						
	<u>650,059</u>	<u>299,306</u>	<u>56,176</u>	<u>1,005,541</u>		
	(note 6)	(note 5)	(note 5)			

Support costs are allocated to the activities on the basis of floor space occupied as at the following rates: Costs of generating voluntary income 15.5%, Service Brokerage 75%, Governance 9.5%.

The Big Issue Foundation
Notes to the Financial Statements
For the year ended 31 March 2010 (Continued)

5 Direct and Support Costs	2010	2009
This includes the following	£	£
Occupancy costs	89,513	104,165
Telephone	962	3,342
Legal and professional	-	3,161
Auditors' remuneration - audit services - current year	10,376	10,000
Auditors' remuneration - audit services - prior year under provision	-	(1,866)
Travel and subsistence	17,912	19,798
Printing, stationery and postage	18,009	9,840
Publications and subscriptions	1,797	1,374
Training and recruitment	5,229	17,104
Vendor support	26,957	30,871
Projects and events	230,819	113,787
Partnership services	-	2,500
Depreciation	5,470	5,777
Other costs	52,289	35,629
	<u>459,333</u>	<u>355,482</u>

6 Staff Costs	2010	2009
	£	£
Wages and salaries	553,285	604,255
Social security costs	49,649	45,804
	<u>602,934</u>	<u>650,059</u>

The average weekly number of employees (not including trustees) during the year was

	2010	2009
	No	No
Direct services	10	10
Fundraising, support and finance	8	8
	<u>18</u>	<u>18</u>

The Foundation now part funds 7 full time outreach workers. Their salaries are included within staff costs.

One employee received emoluments of between £70,000-£80,000 (2009 One). 60% of this salary is recharged to The Big Issue Company.

The trustees did not receive any remuneration from the charitable company.

There were no expenses reimbursed to trustees for travel or meeting expenses (2009 £137 to 2 trustees).

The Big Issue Foundation
Notes to the Financial Statements
For the year ended 31 March 2010 (Continued)

7 Tangible Fixed Assets

	Computer and Office Equipment £
Cost	
At 1 April 2009	170,029
Additions	713
Disposals	<u>(22,914)</u>
At 31 March 2010	<u>147,828</u>
Depreciation	
At 1 April 2009	159,742
Charge for the year	5,470
Depreciation Disposal	<u>(22,914)</u>
At 31 March 2010	<u>142,298</u>
Net Book Value	
At 31 March 2010	<u>5,530</u>
At 31 March 2009	<u>10,287</u>

All fixed assets are held for use by the charity

8 Debtors Amounts receivable within one year

	2010 £	2009 £
Trade debtors	4,281	1,770
Prepayments	23,073	29,383
Accrued income	<u>20,608</u>	<u>13,483</u>
	<u>47,962</u>	<u>44,636</u>

9 Creditors Amounts falling due within one year

	2010 £	2009 £
Trade creditors	10,467	33,150
Tax and social security	12,687	27,661
Other Creditors	563	-
Accruals and deferred income	<u>60,621</u>	<u>73,536</u>
	<u>84,338</u>	<u>134,347</u>

The Big Issue Foundation
Notes to the Financial Statements
For the year ended 31 March 2010 (Continued)

10 Restricted Funds

	31 March 2009 £	Movement in Funds		Transfers £	31 March 2010 £
		Incoming £	Outgoing £		
Service Brokerage					
HBOS Community	5,465	10,000	15,465	-	-
Cadbury Schweppes	5,000	5,000	10,000	-	-
Decorate grant	3,246	-	-	-	3,246
Wireless Outreach Project	3,405	-	-	(3,405)	-
Henry Smith	-	26,500	25,880	-	620
Vandervell Foundation	-	30,000	30,000	-	-
The Scotshall Trust	-	20,000	20,000	-	-
Big Lottery Fund Bath	720	13,349	14,069	-	-
The Mercian Trust	1,008	-	1,008	-	-
Persula	-	10,000	10,000	-	-
Garfield Weston Foundation	290	25,000	25,290	-	-
UFI London	890	-	-	-	890
UFI Birmingham	19,958	-	6,583	-	13,375
UFI Brighton	2	-	2	-	-
Eveson	2,608	5,000	7,608	-	-
The Sobell Foundation	-	5,000	5,000	-	-
Norwich Consolidated Accounts	-	5,000	5,000	-	-
Big Lottery	33	-	-	-	33
Matrix	2,500	-	-	(2,500)	-
ESF - OSW	1,606	-	1,606	-	-
New Opportunities Fund -					
London	5,774	-	-	(5,774)	-
Brighton	7,723	-	-	(7,723)	-
The Tinsley Foundation	-	2,500	2,500	-	-
University College of London Medical					
School - Peer Education	3,189	-	-	(3,189)	-
Marks & Spencer	89	-	-	-	89
The Sandra Charitable Trust	651	-	651	-	-
Holbeck	-	5,000	3,323	-	1,677
Alice Ellen Cooper Dean	-	1,000	1,000	-	-
Grocers	-	3,000	1,258	-	1,742
Catalyst	-	1,000	932	-	68
George and Esme Pollitzer	-	1,500	1,500	-	-
South West Trains	83	-	75	-	8
Turner Broadcasting	2,408	1,150	3,558	-	-
Other Projects	8,869	25,051	20,618	-	13,302
	<u>75,517</u>	<u>195,050</u>	<u>212,926</u>	<u>(22,591)</u>	<u>35,050</u>

Five grants were transferred from the restricted funds to unrestricted funds during the year, each Funder was satisfied that the grants were spent appropriately and were happy for us to unrestrict the grants in our accounts

The Big Issue Foundation

Notes to the Financial Statements

For the year ended 31 March 2010 (Continued)

10 Restricted Funds (Continued)

Service Brokerage

Includes services to help vendors find safe, affordable accommodation, whether for a night, a few months or as a permanent home, as well as support in managing the responsibilities of a new home. We provide advice, referring vendors to specialist health services, particularly in relation to drug, alcohol and mental health issues. In addition the Foundation has now received funding to start up a Financial Inclusion Program. The major grants received supporting these services are

HBOS Community - The projects aims to develop and provide a programme of support for Big Issue Vnedors to improve financial skills, knowledge and confidence, enabling them to take steps to maximise their income and towards a life away from the streets

Big Lottery Fund Bath - Provides a range of support services to homeless people in Bath, includes job, education and training advice and courses, advice on housing and welfare issues, advocacy and mediation support

The Scotshill Trust - Provides funding for national costs

Henry Smith - Provides a range of support services to homeless people in Bristol, includes job, education and training advice and courses, advice on housing and welfare issues, advocacy and mediation support

Garfield Weston - Provides funding for national core costs

Vandervell Foundation - Provides funding for salary and the related costs for one Service Broker in London

Homeless people need the chance to support themselves financially. We provide vocational guidance and can find and, in some cases, fund places on training and educational courses, as well as offering work experience opportunities

11 Unrestricted Funds

	31 March 2009 £	Movement in Funds			31 March 2010 £
		Incoming £	Outgoing £	Transfers £	
General Fund	250,127	848,433	(797,653)	(27,409)	273,498
Designated Fund	80,000	-	(52,090)	50,000	77,910
	<u>330,127</u>	<u>848,433</u>	<u>(849,743)</u>	<u>22,591</u>	<u>351,408</u>

The Trustees set aside the Designated Fund to explore potential investment into new avenues of sustainable income generating activities. Within this, we have explored options that will contribute to toward long term sustainable funding, such as Door to Door fundraising

The Big Issue Foundation
Notes to the Financial Statements
For the year ended 31 March 2010 (Continued)

12 Analysis of Net Assets Between Funds

	Unrestricted Funds	Designated Funds	Restricted Funds	Total Funds
		£	£	£
Tangible fixed assets	5,530	-	-	5,530
Current assets	352,306	77,910	35,050	465,266
Current liabilities	(84,338)	-	-	(84,338)
Net assets at 31 March 2010	<u>273,498</u>	<u>77,910</u>	<u>35,050</u>	<u>386,458</u>

13 Related Parties

During the year the following transactions took place

- The Big Issue Company Limited (the Company), of which trustee Parveen Bird is a director, charged £217,818 (2009 - £232,480) for occupancy costs and services provided to the Foundation, and at 31 March 2010 nothing (2009 - £1,931) was owed to the Company
- During the year £8,221 (2009 - £6,768) was paid by the Company into the Foundation's petty cash floats. The Foundation repaid £8,221 (2009 - £6,768)
- The Foundation charged the Company £21,092 (2009 - £24,054) for goods and services provided during the year

14 Liability of Members

The liability of members is limited. In the event of the charitable company being wound up during a member's period of membership or within one year afterwards an amount not exceeding the sum of £1 may be required from that member towards the payment of the debts and liabilities of the charitable company incurred before membership ceased.

As at 31 March 2010 the charitable company had 2 members (2009 - 2 members)