

## **Big Issue Invest Limited**

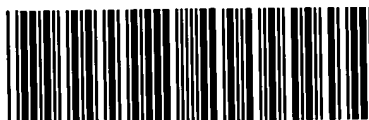
Report and Financial Statements

Year Ended

31 March 2022

Company Number 04764982

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## Big Issue Invest Limited

### Company Information

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<b>Directors</b>	W Taylor T West S Sachdeva M Allen L Boothby S Redford M Simms Shaheen Verjee (appointed 8 December 2022)
<b>Registered number</b>	04764982
<b>Registered office</b>	113-115 Fonthill Road London England N4 3HH
<b>Independent Auditor</b>	BDO LLP 55 Baker Street London W1U 7EU

# Big Issue Invest Limited

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# Big Issue Invest Limited

## Directors' Report for the Year Ended 31 March 2022

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The directors present their report and the financial statements of Big Issue Invest Limited ("BII" or "the company") and its subsidiaries (together "the group") for the year ended 31 March 2022.

### Directors' responsibilities

The directors are responsible for preparing the directors' report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Principal activity

The principal activity of the company is the provision of investment finance to social enterprises in the United Kingdom.

### Results and dividends

The profit for the year, after taxation, amounted to a profit of £3,703 (2021 - £131,785).

No dividend was paid during the year and the directors do not recommend payment of a dividend (2021 - £Nil).

### Business review

The Big Issue Group's mission is to build a world that works for everyone. We challenge, innovate and create self-help and sustainable business solutions, that dismantle poverty now and for future generations. BII supports this mission by providing finance to social ventures that help tackle poverty and inequality. In the process, BII has achieved significant milestones in terms of the amount and pace of our social enterprise investing activities, while the investees and other partners of the company are demonstrating substantial social outcomes of which it can be very proud.

### Highlights in 2021/22

BII provides mission driven organisations with the finance they need to achieve their social impact goals:

- In 2021/22 BII Invested £3.9 million in 21 organisations.
- Big Issue Invest Fund Management Ltd (BIFM) has committed £7.1 million through new transactions and has disbursed in total £7.0 million through its two active funds SEIF II and OIF.

## Big Issue Invest Limited

### Directors' Report (continued) for the Year Ended 31 March 2022

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#### Performance by business area

Over the course of 2021/22 BII made the following progress in its various lines of business:

#### Supporting early stage and start up social ventures

BII continued to provide support for early stage and start up ventures through its "Corporate Social Venturing" (CSV) program which supports ventures by:

- making investments of up to £50,000 in the form of patient capital; and
- providing business support and mentoring from one of our corporate partners.

As at 31 March 2022 CSV has five live projects, Tech For Good, CSV14 18, Power Up Scotland, Power Up Midlands and Places for People which, between them, have £1,590,915 invested across 46 organisations. The investments made were geographically spread across England and Scotland.

#### Supporting smaller scale social enterprises

BII makes loans to support smaller scale social enterprises with operating and capital investment needs.

During the period to 31 March 2022, BII disbursed £3.9 m to 21 clients. Focus of activity during the year was:

- Making unsecured loans, typically of under £150k by providing finance to social enterprises excluded from mainstream finance because of geography, risk profile or size of loan. BII continues to experience strong demand for this type of funding.
- Making loans to create affordable homes in London.
- Making loans with money from The Access Foundation ("Access"), Esmée Fairbairn Foundation, Greater London Authority (GLA), Places for People Foundation and Regional Growth Fund (RGF).

The Growth Fund is a £50m partnership which uses a combination of grant funding, made possible thanks to the National Lottery players, and loan finance from Big Society Capital and other co-investors, to address specific gaps in the social investment market. The programme is delivered by Access through a range of social investors. Funds from the National Lottery Community Fund, under the Growth Fund programme have been treated as restricted funds in these accounts.

The gross loan portfolio (before loan loss reserves) as at 31 March 2022 was £16m. Key themes for our coming year are job preservation and creation, employability skills, access to finance, diversity, equality and inclusion.

## Big Issue Invest Limited

### Directors' Report (continued) for the Year Ended 31 March 2022

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#### Supporting more established social enterprises

BII makes larger, more patient investments into established, scalable organisations to enable them to grow. Investments of this nature are made through investment funds managed by BII's FCA authorised subsidiary company, BIIFM. The two funds which are currently actively investing are SEIF II and OIF, whilst the first fund Big Issue Invest Social Enterprise Investment Fund I L.P. (SEIF I) is managing its portfolio out and is disbursing the repaid capital back to the Limited Partners.

##### SEIF I

SEIF I is fully invested with £9.2 million of investor capital. This capital has been used to support 21 remarkable social enterprises across the UK which, in turn, are helping support over 550,000 beneficiaries with much-needed services and products. With the investment period closed, no further capital disbursements were scheduled or have occurred in the year to 31 March 2022 from SEIF I, leaving the total amount disbursed by the fund since inception at £8.7 million. During the year we continued to see two further full repayments of investments.

As at 31 March 2022, SEIF I has returned 97% of original committed capital to investors in the form of capital and income distributions.

##### SEIF II

SEIF II launched with committed capital of £21 million in October 2015 and had a final close in June 2019 increasing the committed capital to just over £23.8 million.

Since launch, SEIFII has committed £23.6m and disbursed £20m. In 2021/22, £6.6m was committed to new investment and £3.5m distributed together with previous commitments and disbursements representing over 84% of the committed capital for the Fund. More importantly, this capital is supporting sixteen remarkable social enterprises who themselves are providing much needed services to over 100,000 people (excluding community transport) within 2021/22.

##### OIF

OIF was launched in May 2017 with a first close of £10m. This fund is designed to provide working capital to enable charities and social enterprises to deliver payment by results contracts, further increasing the breadth of social impact that our investing activities are having. Through our continued work we are now supporting Social Outcomes Contracts delivering outcomes values of over £58 million.

OIF has committed a total of £9.4 million into 21 outcomes based contract (OBC) and has disbursed £7.5 million since launch until March 2022. In 2021/22, a new OBC saw £1.4m committed and £0.8 million distributed into an innovative programme, commissioned by the Home Office, to support around 600 refugees in the West Midlands and Greater Manchester. During this financial year we have seen further 3 social outcomes contract (SOCs) repay in full, whilst delivering the expected outcomes through housing.

## **Big Issue Invest Limited**

### **Directors' Report (continued) for the Year Ended 31 March 2022**

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#### **Supporting larger organisations that support socially beneficial activities**

BII has developed partnerships with leading asset managers Columbia Threadneedle Investments (CTI) and Aberdeen Standard Investments (ASI) to bring social investment to the mainstream investment market. These have now been moved to The Big Issue Group (TBIG). BII has worked with these partners to develop investment funds, co design the impact assessment frameworks for the funds. BII has an on going impact advisory role for each fund and the impact of these partnerships is twofold:

- Providing finance for organisations delivering on key impact goals aligned with the Sustainable Development Goals.
- Opening up access to social investment to a wider investor base including retail investors.

The Columbia Threadneedle Social Bond Fund launched in January 2014. It offers a diversified corporate bond product which delivers both daily liquidity and a yield in line with mainstream corporate bond funds. The fund invests in corporate and charity bonds that finance organisations delivering socially beneficial activities and more inclusive and sustainable economic development. Examples include bonds delivering outcomes housing, employment, education, financial inclusion and health. At March 2022 the fund had over £331m assets under management. BII publishes an independent annual impact report on the fund.

The Aberdeen Standard Investments UK Equity Impact – Employment Opportunities Fund launched in February 2018 with £5m seed capital but has since closed. It aimed to generate a financial return over the long term by investing in equities and equity related investments of companies that promoted and implemented good employment opportunities and practices. The impact criteria typically included paying above average wage rates, being located in deprived areas, offering training opportunities and / or employing young people. Typically, the majority of employees were in the UK. The fund followed an active engagement strategy, using its shareholder position to influence improvements in employer practices. The fund produced an annual impact report in partnership with BII.

#### **Research and Consultancy**

In addition to its investing activities, BII pursues its mission of tackling poverty through its work in research and consultancy. BII has launched the 'Beyond the Cheque Initiative' (BTCI), funded by Esmée Fairbairn Foundation and Access: The Foundation for Social Investment. BTCI aims to support the social investment sector to understand the cost effectiveness of technical assistance and therefore improve how we support social enterprises to generate impact. Secondly, in partnership with UnLtd: The Foundation for Social Enterprises and Social Value UK, BII has started a Diversity, Equality and Inclusion (DEI) baseline measurement tool (funded by Big Society Capital) to support social enterprises to better understand their practices, representation and growth areas.

#### **Going Concern**

The global economic situation has continued to face uncertainty. Throughout 2021/22, there was a continuing negative impact of COVID 19 on the global economy and this was further compounded in the financial year by the war in the Ukraine. The directors continue to actively monitor the potential effect of global events on the Company.

The directors have reviewed the current and projected financial position of the Company making reasonable assumptions about the future performance including stress testing forecasts. The key areas reviewed were forecast income and cash flows for the period of at least 12 months from approving these accounts and based on these the directors have a reasonable expectation that the Company will continue in operational existence for at least 12 months from the date of approval of these financial statements. Accordingly, the financial statements are presented on a going concern basis.

#### **Directors**

The directors who served throughout the year were:

## Big Issue Invest Limited

### Directors' Report (continued) for the Year Ended 31 March 2022

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W Taylor  
T West  
S Sachdeva  
P Bird (resigned 13 April 2022)  
A Clarke (resigned 23 November 2022)  
M Allen  
L Boothby  
S Redford  
M Simms

#### Qualifying third party indemnity provisions

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The group also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its directors.

#### Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company and the Group's auditor is unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the Group's auditor is aware of that information.

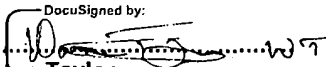
#### Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

#### Small companies regime

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

DocuSigned by:  
  
Warren Taylor  
Director

Date: 7/2/2023 | 19:03:18 GMT



## **Big Issue Invest Limited**

### **Independent Auditor's Report to the Members of Big Issue Invest Limited**

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#### **Opinion**

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 March 2022 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Big Issue Invest Limited (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2022 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statement of Financial Position, the Consolidated and Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence*

We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

## **Big Issue Invest Limited**

### **Independent Auditor's Report to the Members of Big Issue Invest Limited (continued)**

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#### **Other information**

The Directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Other Companies Act 2006 reporting**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to prepare the financial statement in accordance with the small companies regime and take advantage of the small companies' exemptions from the requirement to prepare a Strategic report.

## Big Issue Invest Limited

### Independent Auditor's Report to the Members of Big Issue Invest Limited (continued)

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#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

#### *Extent to which the audit was capable of detecting irregularities, including fraud*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the Group and the Parent Company and the industry in which it operates, and considered the risk of acts by the Group and the Parent Company, which were contrary to applicable laws and regulations, including fraud. These included but were not limited to compliance with Companies Act 2006 and United Kingdom Generally Accepted Accounting Practice.

We focused on laws and regulations that could give rise to a material misstatement in the Group and Parent Company's financial statements. Our tests included, but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of management relating to the existence of any non-compliance with laws and regulations;
- review of minutes of board meetings throughout the period; and
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

## **Big Issue Invest Limited**

### **Independent Auditor's Report to the Members of Big Issue Invest Limited (continued)**

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#### **Use of our report**

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Vanessa-Jayne Bradley** (Senior Statutory Auditor)  
For and on behalf of **BDO LLP**, Statutory Auditor  
London  
United Kingdom

Date:  
BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

## Big Issue Invest Limited

### Consolidated Statement of Comprehensive Income for the Year Ended 31 March 2022

	Note	2022 £	2021 £
Turnover	4	2,193,030	2,549,206
<b>Gross profit</b>		<b>2,193,030</b>	<b>2,549,206</b>
Administrative expenses		(2,017,748)	(2,240,196)
<b>Operating profit</b>	5	<b>175,282</b>	<b>309,010</b>
Interest payable and similar charges	9	(154,757)	(113,226)
<b>Profit before taxation</b>		<b>20,525</b>	<b>195,784</b>
Tax on profit	10	(16,822)	(63,999)
<b>Profit for the financial year</b>		<b>3,703</b>	<b>131,785</b>

There was no other comprehensive income for 2022 (2021 - £NIL).

The notes on pages 17 to 34 form part of these financial statements.

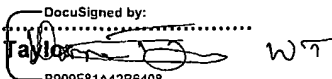
**Big Issue Invest Limited**  
Registered number: 04764982

**Consolidated Statement of Financial Position**  
as at 31 March 2022

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Intangible assets	11	927	3,865
Tangible assets	12	1,622	4,591
Investments	14	17,023,797	15,846,999
		<u>17,026,346</u>	<u>15,855,455</u>
<b>Current assets</b>			
Debtors	15	186,450	343,765
Cash and cash equivalents	16	5,924,356	3,859,489
		<u>6,110,806</u>	<u>4,203,254</u>
Creditors: amounts falling due within one year	17	(1,567,148)	(1,727,217)
<b>Net current assets</b>		<u>4,543,658</u>	<u>2,476,037</u>
<b>Total assets less current liabilities</b>		<u>21,570,004</u>	<u>18,331,492</u>
Creditors: amounts falling due after more than one year	18	(19,684,107)	(16,449,298)
<b>Provisions for liabilities</b>			
Deferred grants	21	(182,700)	(182,700)
<b>Net assets</b>		<u>1,703,197</u>	<u>1,699,494</u>
<b>Capital and reserves</b>			
Share capital	22	1	1
Profit and loss account	23	1,703,196	1,699,493
		<u>1,703,197</u>	<u>1,699,494</u>

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

DocuSigned by:  
  
**Warren Taylor**  
 Director

Date: 7/2/2023 | 19:03:18 GMT

The notes on pages 17 to 34 form part of these financial statements.

**Big Issue Invest Limited**  
Registered number:04764982

**Company Statement of Financial Position**  
as at 31 March 2022

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Intangible assets	11	927	3,865
Tangible assets	12	1,622	4,591
Investments	14	11,679,967	10,761,424
		<u>11,682,516</u>	<u>10,769,880</u>
<b>Current assets</b>			
Debtors	15	307,735	293,820
Cash and cash equivalents	16	4,400,529	1,983,754
		<u>4,708,264</u>	<u>2,277,574</u>
Creditors: amounts falling due within one year	17	(221,317)	(235,727)
<b>Net current assets</b>		<u>4,486,947</u>	<u>2,041,847</u>
<b>Total assets less current liabilities</b>		<u>16,169,463</u>	<u>12,811,727</u>
Creditors: amounts falling due after more than one year	18	(14,645,510)	(11,359,074)
<b>Provisions for liabilities</b>			
Deferred grants	21	(182,700)	(182,700)
<b>Net assets</b>		<u>1,341,253</u>	<u>1,269,953</u>
<b>Capital and reserves</b>			
Share capital	22	1	1
Profit and loss account	23	1,341,252	1,269,952
<b>Total equity</b>		<u>1,341,253</u>	<u>1,269,953</u>

**Big Issue Invest Limited**  
Registered number:04764982

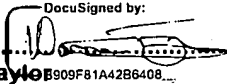
**Company Statement of Financial Position (continued)**  
**as at 31 March 2022**

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The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The profit after tax of the company for the year was £71,300 (2021 - £217,801).

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

DocuSigned by:  
  
.....  
**Warren Taylor** B909F81A42B6408  
Director

Date: 7/2/2023 | 19:03:18 GMT

The notes on pages 17 to 34 form part of these financial statements.



## Big Issue Invest Limited

### Consolidated Statement of Changes in Equity for the Year Ended 31 March 2022

	Share capital £	Profit and loss account £	Total equity £
At 1 April 2021	1	1,699,493	1,699,494
<b>Comprehensive income for the year</b>			
Profit for the year	-	3,703	3,703
<b>At 31 March 2022</b>	<b>1</b>	<b>1,703,196</b>	<b>1,703,197</b>

### Consolidated Statement of Changes in Equity for the Year Ended 31 March 2021

	Share capital £	Profit and loss account £	Total equity £
At 1 April 2020	1	1,567,708	1,567,709
<b>Comprehensive income for the year</b>			
Profit for the year	-	131,785	131,785
<b>At 31 March 2021</b>	<b>1</b>	<b>1,699,493</b>	<b>1,699,494</b>

The notes on pages 17 to 34 form part of these financial statements.

## Big Issue Invest Limited

### Company Statement of Changes in Equity for the Year Ended 31 March 2022

	Share capital £	Profit and loss account £	Total equity £
At 1 April 2021	1	1,269,952	1,269,953
<b>Comprehensive income for the year</b>			
Profit for the year	-	71,300	71,300
<b>At 31 March 2022</b>	<b>1</b>	<b>1,341,252</b>	<b>1,341,253</b>

### Company Statement of Changes in Equity for the Year Ended 31 March 2021

	Share capital £	Profit and loss account £	Total equity £
At 1 April 2020	1	1,052,151	1,052,152
<b>Comprehensive income for the year</b>			
Profit for the year	-	217,801	217,801
<b>At 31 March 2021</b>	<b>1</b>	<b>1,269,952</b>	<b>1,269,953</b>

The notes on pages 17 to 34 form part of these financial statements.

## Big Issue Invest Limited

### Consolidated Statement of Cash Flows for the Year Ended 31 March 2022

	2022 £	2021 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	3,703	131,785
<b>Adjustments for:</b>		
Amortisation of intangible assets	1,840	-
Depreciation of tangible assets	4,067	7,198
Interest charged to the income statement	154,757	113,226
Taxation charge	16,822	63,999
Decrease in debtors	140,493	133,028
Increase/(decrease) in creditors	2,251,448	(172,268)
(Decrease)/increase in amounts owed to groups	(581)	-
UK and foreign tax (paid)/received	-	129,317
Investments written off	59,126	91,208
<b>Net cash generated from operating activities</b>	<b>2,631,675</b>	<b>497,493</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	-	(1,273)
Loan investments granted	(2,331,300)	(1,792,291)
Loan investments repaid	1,095,376	2,840,253
<b>Net cash (used in)/from investing activities</b>	<b>(1,235,924)</b>	<b>1,046,689</b>
<b>Cash flows from financing activities</b>		
New secured loans	1,024,099	-
Repayment of loans	-	(372,806)
Repayment of other loans	(200,226)	(12,969)
Interest paid	(154,757)	(113,226)
<b>Net cash from/(used in) financing activities</b>	<b>669,116</b>	<b>(499,001)</b>
<b>Net increase in cash and cash equivalents</b>	<b>2,064,867</b>	<b>1,045,181</b>
Cash and cash equivalents at beginning of year	3,859,489	2,814,308
<b>Cash and cash equivalents at the end of year</b>	<b>5,924,356</b>	<b>3,859,489</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	5,924,356	3,859,489

## Big Issue Invest Limited

### Notes to the Financial Statements for the Year Ended 31 March 2022

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#### 1. General information

Big Issue Invest Limited (the 'Company') is a private company, limited by shares, incorporated in England & Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activities are set out in the directors' report.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland ('FRS 102') and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

##### Parent company disclosure exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No statement of cash flows has been presented for the parent company.

The following principal accounting policies have been applied:

##### 2.2 Basis of consolidation

The consolidated financial statements present the results of the company and its own subsidiaries ('the Group') as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

The Company is the sole guarantor member of Big Issue Invest Trust ("BIIT"), a UK charity. As the sole guarantor member, the company controls the Board of BIIT. However, as BIIT is a registered charity, the interest is not held so as to obtain benefits from the activities of BIIT. As a result, in accordance with FRS 102, BIIT does not constitute a subsidiary of the company.

The group has elected to apply a true and fair override of the method of consolidation of the limited partnerships (described further below) as the acquisition or merger method of accounting does not represent the nature of the interest in these subsidiary undertakings, which have therefore been accounted for under the equity method. This departure is necessary to give a true and fair view of the financial statements of Big Issue Invest Limited. If an acquisition accounting approach to consolidation had been applied, the total assets and liabilities of the underlying entities which Big Issue Invest Limited controls would have been consolidated in total and a non-controlling interest deducted, which would result in no material difference to the underlying net asset position.

## **Big Issue Invest Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2022**

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#### **2. Accounting policies (continued)**

##### **2.2 Basis of consolidation (continued)**

###### **Limited Partnerships**

The group manages three social investment fund limited partnerships, details of which are given in note 14 of the financial statements.

The group consolidates its attributable proportion of the assets and income of the Social Enterprise Investment Funds and Outcomes Investment Fund which it manages as General Partners on the basis that the General Partners control the Social Enterprise Investment Funds and Outcomes Investment Fund.

Those partnerships are subsidiary undertakings and under the terms of the Companies Act 2006 should be consolidated in full. However, the members consider the accounts would not give a true and fair view if the assets and income as a whole were to be consolidated since the group's interest in these assets is merely that of investment managers.

###### **Income from other investments**

Income from other investments relates to the priority profit share due to the subsidiary undertakings which is recognised on an accruals basis.

##### **2.3 Going Concern**

The global economic situation has continued to face uncertainty. Throughout 2021/22, there was a continuing negative impact of COVID 19 on the global economy and this was further compounded in the financial year by the war in the Ukraine. The directors continue to actively monitor the potential effect of global events on the Company.

The directors have reviewed the current and projected financial position of the Company making reasonable assumptions about the future performance including stress testing forecasts. The key areas reviewed were forecast income and cash flows for the period of at least 12 months from approving these accounts and based on these the directors have a reasonable expectation that the Company will continue in operational existence for at least 12 months from the date of approval of these financial statements. Accordingly, the financial statements are presented on a going concern basis.

##### **2.4 Turnover**

Turnover represents loan fees, interest and royalties receivable, management services and consulting fees, and grant income.

Turnover is recognised as earned and when receivable in accordance with underlying investment management agreements. The group is entitled to an annual priority profit share from its role as General Partner in the Big Issue Invest Social Enterprise Investment Fund L.P, Big Issue Invest Social Enterprise Investment Fund II L.P and Big Issue Invest Outcomes Investment Fund L.P. In certain circumstances the annual priority profit share is advanced to the group in the form of a non-recourse loan. Since there are no circumstances under which the group could be required to repay the non-recourse loan, income arising from the annual priority profit share is recognised in the year it relates to irrespective of whether advanced as a non-recourse loan or as a profit share.

## Big Issue Invest Limited

### Notes to the Financial Statements for the Year Ended 31 March 2022

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#### 2. Accounting policies (continued)

##### 2.5 Government and revenue grants

Capital grants received to make loans to social enterprises are credited to deferred grants upon receipt and released to the income statement when ownership of the grant by Big Issue Invest Limited is certain. Revenue grants are credited to the income statement on an accruals basis.

##### 2.6 Donations

Donations received are recognised in the income statement when they are received.

##### 2.7 Intangible assets

Website development costs are capitalised and amortised from completion over a 5 year period where the company expects to generate economic benefits from the development.

##### 2.8 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Computer equipment	-	4 years
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the consolidated statement of comprehensive income.

##### 2.9 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

## **Big Issue Invest Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2022**

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#### **2. Accounting policies (continued)**

##### **2.10 Investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

##### **2.11 Debtors and loan stock**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### **2.12 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

In the consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

##### **2.13 Financial instruments**

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

The group receives loans on which no interest is charged. The group also receives grants for investment purposes which are repayable subject to capital and interest returns being received by the group. These are considered to be concessionary loans, and so have been measured, initially and subsequently, at the undiscounted amount of cash received.

##### **2.14 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs.

## Big Issue Invest Limited

### Notes to the Financial Statements for the Year Ended 31 March 2022

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#### 2. Accounting policies (continued)

##### 2.15 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

##### 2.16 Pensions

###### Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

##### 2.17 Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- the recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.



## Big Issue Invest Limited

### Notes to the Financial Statements for the Year Ended 31 March 2022

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#### 2. Accounting policies (continued)

##### 2.18 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

#### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have had to make the following judgements:

- Determine whether there are indicators of impairment of the group's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty:

- Intangible fixed assets (see note 11)  
Intangible fixed assets are amortised over their useful lives. The actual lives of the assets are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation and product life cycles are taken into account.
- Tangible fixed assets (see note 12)  
Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.
- Investments (see note 14) and loan interest receivable (see note 15)  
Significant judgements and estimates have been used in the calculation of provisions which are deducted from financial investments. These provisions are calculated by applying impairments to financial investments after assessing their likelihood of default. In respect of financial investments, the total provision applied to the financial investments this financial year is £37,000 (2021: £37,000).

# Big Issue Invest Limited

## Notes to the Financial Statements for the Year Ended 31 March 2022

### 4. Turnover

An analysis of turnover is as follows:

	2022 £	2021 £
Arrangement fee income	61,038	15,405
Consultancy income	192,959	449,726
Grant income	511,303	560,745
Loan interest income	687,365	618,604
Management fees	34,000	34,000
Income from other investments	706,365	870,726
	<u>2,193,030</u>	<u>2,549,206</u>

### 5. Operating profit

The operating profit is stated after charging:

	2022 £	2021 £
Depreciation of tangible fixed assets (see note 12)	<u>5,177</u>	<u>7,198</u>

### 6. Auditor's remuneration

	2022 £	2021 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual accounts	7,200	6,600
Fees payable to the group's auditor and its associates for the audit of the company's subsidiaries' annual accounts	22,200	16,620
<b>Fees payable to the Group's auditor and its associates in respect of:</b>		
All other services	<u>29,940</u>	<u>27,168</u>

## Big Issue Invest Limited

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### 7. Employees

	2022 £	2021 £
Wages and salaries	1,203,618	1,269,221
Social security costs	111,359	119,095
Cost of defined contribution scheme	28,419	30,621
	<u>1,343,396</u>	<u>1,418,937</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2022 No.	2021 No.
	<u>22</u>	<u>22</u>

#### 8. Directors' remuneration

During the year retirement benefits were not accruing to a director (2021 - Nil) in respect of defined contribution pension schemes.

#### 9. Interest payable and similar charges

	2022 £	2021 £
Loan Interest Payable	<u>154,757</u>	<u>113,226</u>

# Big Issue Invest Limited

## Notes to the Financial Statements for the Year Ended 31 March 2022

### 10. Taxation

	2022 £	2021 £
Group relief receivable	(22,309)	-
<b>Total current tax</b>	<b>(22,309)</b>	<b>-</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	51,537	64,224
Adjustments in respect of prior periods	(12,406)	(225)
<b>Total deferred tax</b>	<b>39,131</b>	<b>63,999</b>
<b>Taxation on profit on ordinary activities</b>	<b>16,822</b>	<b>63,999</b>

#### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2021 - lower than) the standard rate of corporation tax in the UK of 19.00% (2021 - 19.00%). The differences are explained below:

	2022 £	2021 £
Profit on ordinary activities before tax	20,525	195,784
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2021 - 19.00%)	3,900	37,199
<b>Effects of:</b>		
Expenses not deductible for tax purposes	116	8
Non-taxable income	(12,704)	(13,995)
Payment/(receipt) for group relief	(22,309)	-
Group relief surrendered/(claimed)	76,825	-
Deferred tax not recognised	(90,683)	41,012
Adjustments in respect of prior periods (deferred tax)	-	(225)
Taxable allocation from underlying funds in excess of priority profit share	61,677	-
<b>Total tax charge for the year</b>	<b>16,822</b>	<b>63,999</b>

# Big Issue Invest Limited

## Notes to the Financial Statements for the Year Ended 31 March 2022

### 10. Taxation (continued)

#### Factors that may affect future tax charges

The UK Government announced on 3 March 2021 its intention to increase the UK rate of corporation tax to 25% from 19% from 1 April 2023. As this rate was not substantively enacted at the year end, deferred tax has been calculated based on the prevailing rate of 19%. The estimated impact of the new 25% rate on the deferred tax asset is immaterial.

### 11. Intangible assets

#### Group and Company

	Website development £
<b>Cost</b>	
At 1 April 2021	6,000
Transfer from computer equipment	32,927
At 31 March 2022	<u>38,927</u>
<b>Amortisation</b>	
At 1 April 2021	2,135
Charge for the year on owned assets	1,840
Bifurcation on brought forward balance	34,025
At 31 March 2022	<u>38,000</u>
<b>Net book value</b>	
At 31 March 2022	<u><u>927</u></u>
At 31 March 2021	<u><u>3,865</u></u>

## Big Issue Invest Limited

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### 12. Tangible fixed assets

##### Group and Company

	Computer equipment £
<b>Cost</b>	
At 1 April 2021	44,583
Transfer to website development	(32,927)
At 31 March 2022	11,656
<b>Depreciation</b>	
At 1 April 2021	39,992
Charge for the year	4,067
Bifurcation on brought forward balance	(34,025)
At 31 March 2022	10,034
<b>Net book value</b>	
At 31 March 2022	1,622
At 31 March 2021	4,591

#### 13. Analysis of net debt

	At 1 April 2021 £	Cash flows £	New secured loans £	At 31 March 2022 £
Cash at bank and in hand	3,859,489	2,064,867	-	5,924,356
Debt due after 1 year	(10,359,795)	196,226	(1,024,099)	(11,187,668)
Debt due within 1 year	(28,472)	4,000	-	(24,472)
	<u>(6,528,778)</u>	<u>2,265,093</u>	<u>(1,024,099)</u>	<u>(5,287,784)</u>

## Big Issue Invest Limited

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### 14. Investments

##### Group

	Investments £
<b>Cost or valuation</b>	
At 1 April 2021	15,883,999
Additions	2,331,300
Disposals	(1,095,376)
Amounts written off	(59,126)
At 31 March 2022	<u>17,060,797</u>
<b>Impairment</b>	
At 1 April 2021	37,000
At 31 March 2022	<u>37,000</u>
<b>Net book value</b>	
At 31 March 2022	<u><u>17,023,797</u></u>
At 31 March 2021	<u><u>15,846,999</u></u>

The provision is a specific provision calculated on a loan by loan basis.

## Big Issue Invest Limited

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### 14. Investments (continued)

##### Company

	Shares in subsidiary undertakings £	Investments £	Total £
<b>Cost or valuation</b>			
At 1 April 2021	37,770	10,760,654	10,798,424
Additions	-	918,543	918,543
At 31 March 2022	37,770	11,679,197	11,716,967
<b>Impairment</b>			
At 1 April 2021	-	37,000	37,000
At 31 March 2022	-	37,000	37,000
<b>Net book value</b>			
At 31 March 2022	37,770	11,642,197	11,679,967
At 31 March 2021	37,770	10,723,654	10,761,424

##### Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Principal activity	Class of shares	Holding
Big Issue Invest Corporate Social Venturing Limited	Financing of social enterprises	Ordinary	100%
Big Issue Invest Fund Management Ltd	Fund management	Ordinary	100%
Big Issue Social Investments Limited	Investment financing	Ordinary	100%
Big Issue Invest Outcomes Investment Fund LP	Fund	N/A	-%
Big Issue Invest Social Enterprise Investment Fund I LP	Fund	N/A	-%
Big Issue Invest Social Enterprise Investment Fund II LP	Fund	N/A	-%
Big Issue Access Limited	Financing of social impact organisations	Ordinary	100%

The directors believe that the carrying value of the investments is supported by their underlying net assets.

All entities have the same registered office address as the company (see company information page).



## Big Issue Invest Limited

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### 15. Debtors

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade debtors	61,378	12,358	61,378	4,577
Amounts owed by group undertakings	-	-	158,894	30,968
Other debtors	25,124	6,454	25,124	3,452
Prepayments and accrued income	23,959	130,335	12,263	86,716
Deferred taxation (see note 19)	153	39,284	153	39,284
Loan interest receivable	75,836	155,334	49,923	128,823
	<b>186,450</b>	<b>343,765</b>	<b>307,735</b>	<b>293,820</b>

All amounts owed under debtors fall due for payment within one year.

Amounts owed to group undertakings are unsecured, non-interest bearing and repayable on demand.

#### 16. Cash and cash equivalents

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Cash at bank and in hand	5,924,356	3,859,489	4,400,529	1,983,754

Of the cash at bank and in hand for the group at year-end £4,967,234 (2021 - £2,985,364) is committed for use in lending to social impact organisations.

#### 17. Creditors: Amounts falling due within one year

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Other loans	24,472	28,472	-	-
Trade creditors	38,401	35,129	30,035	11,920
Amounts owed to group undertakings	-	581	-	97,952
Other creditors	608,083	862,738	33,914	31,313
Accruals and deferred income	896,192	800,297	157,368	94,542
	<b>1,567,148</b>	<b>1,727,217</b>	<b>221,317</b>	<b>235,727</b>

Amounts owed to group undertakings are unsecured, non-interest bearing and repayable on demand.

## Big Issue Invest Limited

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### 18. Creditors: Amounts falling due after more than one year

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Bank loans	10,409,220	9,385,121	10,409,220	9,385,121
Other loans	778,448	974,674	-	-
Other creditors	1,822,829	1,686,011	-	-
Accruals and deferred income	6,673,610	4,403,492	4,236,290	1,973,953
	<u>19,684,107</u>	<u>16,449,298</u>	<u>14,645,510</u>	<u>11,359,074</u>

Loans are secured via a debenture comprising fixed and floating charges over all the company's assets.

As at 31 March 2022 the company had 4 loans outstanding (2021 - 4). Bank loans of £782,424 (2021 - £900,929) reach final maturity in 2023 and attract an interest rate of 4% + base rate. Other loans of £9,626,797 (2021 - £8,484,193) reach final maturity between 2023 and 2026 and attract an interest rate of between 0% and 6.25%.

#### 19. Financial instruments

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
<b>Financial assets</b>				
Financial assets measured at fair value through profit or loss	-	-	-	-
Financial assets that are debt instruments measured at amortised cost	6,087,498	4,125,313	469,652	2,234,714
	<u>6,087,498</u>	<u>4,125,313</u>	<u>469,652</u>	<u>2,234,714</u>
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	(34,758,137)	(27,368,525)	(23,292,002)	(15,525,646)

Financial assets measured at amortised cost comprise cash and cash equivalents, trade and other debtors, amounts owed by group undertakings, accrued income and loan interest receivable.

Financial liabilities measured at amortised cost, comprise bank loans, trade creditors, amounts owed to group undertakings, other creditors and accrued expenses.

# Big Issue Invest Limited

## Notes to the Financial Statements for the Year Ended 31 March 2022

### 20. Deferred taxation

#### Group

	2022 £	2021 £
At beginning of year	39,284	103,286
Charged to profit or loss	(39,131)	(64,002)
<b>At end of year</b>	<b>153</b>	<b>39,284</b>

#### Company

	2022 £	2021 £
At beginning of year	39,284	90,387
Charged to profit or loss	(39,131)	(51,103)
<b>At end of year</b>	<b>153</b>	<b>39,284</b>

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Accelerated capital allowances	-	(569)	-	(569)
Tax losses carried forward and other deductions	153	39,853	153	39,853
	<b>153</b>	<b>39,284</b>	<b>153</b>	<b>39,284</b>

### 21. Deferred grants

#### Group

	£
At 1 April 2021	182,700
<b>At 31 March 2022</b>	<b>182,700</b>

# Big Issue Invest Limited

## Notes to the Financial Statements for the Year Ended 31 March 2022

### 22. Share capital

	2022 £	2021 £
<b>Allotted, called up and fully paid</b>		
1 Ordinary A share of £1.00	1	1

### 23. Reserves

#### Share premium account

Called up share capital reserve represents the nominal value of the shares issued.

#### Profit and loss account

Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

### 24. Pension commitments

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £28,419 (2021 - £30,621). Contributions totalling £5,972 (2021 - £Nil) were payable to the fund at the reporting date and are included in creditors.

### 25. Contingent liabilities

Included within other loans and deferred grants (see note 18) are funds specifically received to invest in social enterprises. At 31 March 2022 there are other loans of £778,448 (2021 - £449,674) and deferred grants of £Nil (2021 - £Nil) which are repayable out of the capital and interest repayments on the associated investments. If the capital and interest repayment exceed the grants received, then the company has an obligation to transfer a proportion of the surplus to the loan and grant funders. It is not anticipated that any material liabilities will arise from this contingent liability.

## Big Issue Invest Limited

### Notes to the Financial Statements for the Year Ended 31 March 2022

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#### 26. Related party transactions

The company has taken advantage of the exemption available under paragraph 33.1A of the Financial Reporting Standard 102 not to disclose transactions with other wholly owned members of the group.

During the year, the company received management fees of £24,000 (2021 - £24,000) on behalf of its corporate member company Big Issue Invest Trust (previously known as The Social Enterprise Loan Fund). At the year end Big Issue Invest Limited is owed £Nil (2021 - £Nil) from Big Issue Invest Trust.

During the year, the group received an annual priority profit share in respect of Big Issue Invest Social Enterprise Investment Fund I LP, Big Issue Invest Social Enterprise Investment Fund II LP and Big Issue Invest Outcomes LP under the terms of the relevant limited partnership agreements. £35,934 (2021 - £64,139) was received from Big Issue Invest Social Enterprise Investment Fund I LP, £497,539 (2021 - £570,841) was received from Big Issue Invest Social Enterprise Investment Fund II LP and £172,892 (2021 - £234,629) was received from Big Issue Invest Outcomes LP. All three entities are related parties of the group by virtue of the group's control of these entities.

Key management personnel include all directors who together have authority and responsibility for planning, directing and controlling the activities of the group. The total compensation paid to key management personnel services provided to Big Issue Invest by the Big Issue Group was £45,565 (2021 - £44,238). During the year, there were payments made to Mr Taylor of £800 from Big Issue Invest Limited and £800 from The Big Issue Company Limited (2021 - £Nil).

#### 27. Controlling party

The immediate and ultimate parent undertaking and controlling party is The Big Issue Group Limited, a private company limited by guarantee, incorporated in Great Britain and registered in England and Wales. The Big Issue Group Limited is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements at 31 March 2022. The consolidated financial statements of The Big Issue Group Limited are available from the company's registered office at 113 - 115 Fonthill Road, Finsbury Park, London, N4 3HH.