

Company number: 06578379

Charity number: 1125735

Social Tech Trust

Report and financial statements
For the year ended 31 March 2023

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Reference and administrative information

For the year ended 31 March 2023

| | |
|--------------------------|---|
| Company number | 06578379 |
| Country of incorporation | United Kingdom |
| Charity number | 1125735 |
| Country of registration | England & Wales |
| Registered office | Invicta House 4 th Floor 108-114 Golden Lane London EC1Y 0TL |
| Operational address | Oxford Centre for Innovation New Road Oxford OX1 1BY |
| Trustees | Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows: William Liao – Chair Anisah Osman Britton (resigned 10 November 2023) Russell Johnstone Maria Nelson Mehjabeen Patrick (appointed 20 June 2023) Sunil Suri Robert Tashima Nicolas Temple Nicholas Wise |
| Key management personnel | Edward Evans - CEO |
| Bankers | Barclays Bank Wytham Court, 11 West Way, Oxford, OX2 0JB |
| Solicitors | Russell-Cooke LLP 2 Putney Hill, London, SW15 6AB |
| Auditor | Sayer Vincent LLP Chartered Accountants and Statutory Auditor Invicta House, 108-114 Golden Lane, London, EC1Y 0TL |

The trustees present their report and the audited financial statements for the year ended 31 March 2023.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association, the requirements of a directors' report as required under company law, and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Purposes and aims

Social Tech Trust (the Trust) is a leading tech focused charity, with a clear purpose to transform lives with tech. The Trust utilises a range of approaches to deliver its charitable objectives, including through its programmatic work and social investments. The Trust champions the potential of tech in addressing the UK's most significant social challenges and plays an active role in building a supportive ecosystem for ventures who are tackling these challenges to thrive. The Trust seeks to increase the capacity for systemic change in society, with a particular focus on advancing approaches that further equality.

The aims of the Trust are wide and in the public benefit, promoting the use of tech to address pressing social challenges. The Trust supports organisations that are working to address one or more of the following criteria:

- Advance the education of the public in the subject of the internet and information technology.
- Relieve financial hardship and advance education relating to the internet and information technology in deprived areas.
- Relieve the social, health and educational needs of disabled, sick, or older people.
- Advance the education of young people in the United Kingdom and support education institutions offering a strong emphasis on technology and its practical applications.
- Promote the protection of children and other vulnerable people from danger, suffering, or being abused through the use of the internet.
- Promote and support the provision of services for the protection of people and property from criminal activities on the internet and to assist in the development of technology to prevent and detect criminal activity on the internet.
- Relieve financial hardship, advance education and assist the development of the internet in developing countries.
- Any other charitable purpose.

The trustees review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The trustees

report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the trustees ensure the charity's aims, objectives and activities remain focused on its stated purposes.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

Strategy and Theory of Change

The rapid acceleration and adoption of AI has captured the attention of the public and mainstream press. As both the benefits and unintended consequences of technological advancements are hotly debated, our vision of social transformation being the driver of technology is more important than ever.

Whilst strong commercial ambitions remain a key driver of many technological developments and decisions, we believe that the voices and applications of those who are intentionally seeking to deliver positive social outcomes must come to the fore.

Our programmatic activity and investments are both designed to bring these solutions to light and help them realise their potential. In line with the Theory of Change we developed in early 2022, we have continued to invest in high potential tech companies using flexible and inclusive funding. This has included making direct investments using our bespoke flexible equity investment instrument and making indirect investments through our role as a cornerstone investor in strategically important funds.

As the appetite for alternative investment remains strong, we continue to develop and deliver aligned programmes that are accelerating the progress of ventures furthering equality outcomes. This has included our AI for Sustainability accelerator with Microsoft and working with Catch 22 to deliver the Social Tech Amplifier for start-ups addressing challenges related to youth employment.

Furthering equality is at the heart of our impact thesis, and this has been central to our programme furthering Equality, Diversity and Inclusion by mainstreaming approaches in our own organisational practices, throughout our accelerators, and in the design of the Social Tech Ventures fund.

Our Theory of Change captures the impact we wish to see in the world and outlines how our investment and programmatic activities drive short-term, medium-term, and long-term outcomes which strive to enable a world where social transformation drives tech towards a more regenerative world.

| Activities | Short-term outcomes | Medium-term outcomes | Long-term outcome | Impact |
|---|---|---|---|---|
| Invest into high potential tech companies using flexible and inclusive funding | People and the environment experience increased positive outcomes from the tech company | More investors are influenced by our investment approach and see the potential for social transformation to drive tech | We strengthen the ecosystem and create a positive feedback loop which supports and nurtures more tech companies | We enable a world where social transformation drives tech towards more equality in the world |
| | Tech company increases in scale | | | |
| Collaborate to run programmes that scale and support tech companies | Tech company acquires new skills, capabilities and understanding | More tech companies are influenced by our programmes and use new skills / capabilities to build transformative ventures | | |
| | Tech company feels increased confidence in their abilities | More tech companies are attracted by our investment approach | | |

We are delivering our Theory of Change through focusing our business plan on the following targets, with a particular focus on the first:

1. Raising and launching the Social Tech Ventures investment fund to provide flexible and inclusive finance opportunities to purpose driven tech ventures.
2. Developing, testing and delivering a funded, ongoing programme of activity to scale tech companies that are advancing positive outcomes for society, economy and the planet.

Invest into high potential tech companies using flexible and inclusive funding

Social Tech Ventures Fund

The Trust has continued to build our bespoke investment fund to meet the needs of social tech ventures. We believe that to realise the positive potential of tech, we need a greater focus on equitable solutions. Rapid advancements in tech are creating new tools to address social challenges, but tech can also

exacerbate inequalities if it doesn't serve or reflect people throughout society. A more sustainable and resilient future requires tech solutions that intentionally further equality. Ventures delivering these solutions recognise the value of addressing the needs of marginalised and underserved groups and we see them operating across many impact verticals, playing a vital role in building a more resilient future.

Equitable solutions are being driven by ventures operating at the intersection of impact and tech. However, the capital needs of most of these ventures are not being met by existing investors. The Social Tech Ventures fund is designed to invest in equality transformative organisations that are overlooked by existing investors in both the social investment and purely commercial investment markets.

Building on this work, the Trust is delighted to be a partner on Innovate UK's Healthy Ageing Investment Partnerships programme and on the Future Economies programme. These programmes combine government funding for research and development with private investment into businesses, including social ventures, to produce products and services for healthy ageing and for future economies themes that can be adopted at scale. This partnership can deliver significant aligned investment for ventures on our fund further enhancing the opportunity to deliver impact for beneficiaries.

Social investments

Through our social investments, we are delivering our strategy to meet the needs of diverse, purpose-driven tech ventures in their growth by increasing the availability of, and access to, flexible and inclusive finance.

Direct investments

During the period, we have made a new revenue-based investment into a certified social enterprise called **Good Boost**. They aim to use their technology to transform existing community assets (such as swimming pools) into therapeutic places. By doing this, they are creating accessible, affordable, and individually tailored programmes of health and wellbeing for people with musculoskeletal disorders like arthritis, inflammatory joint conditions and back pain.

As an Investor Partner on the Innovate UK Healthy Ageing Investment Partnerships programme, we have enabled Good Boost to access significant further grant capital to support research and development work as they diversify their offering and scale their impact. Following our investment at the start of the year, Good Boost have rapidly expanded from 30 to over 150 community leisure centres and are well ahead of their annual targets.

During this period, we have continued to work alongside and support, our investee company, **Xploro**. Xploro use augmented reality, gameplay and 3D interactive models of hospital environment to familiarise children with treatments and procedures. In so doing, they aim to reduce anxiety and

improve clinical outcomes. Since our investment, Xploro continue to go from strength to strength and are now operating in several of the top children's hospitals in the UK and US.

Fund investments

The Trust is proud to be a founding investor in the **Fair By Design Fund** and in the reporting period, the Trust received £30,000 of returns from the fund. Fair By Design is designed to support companies addressing specific aspects of the poverty premium, the extra costs people on low incomes and in poverty pay for essential products and services. In the current socio-economic environment, the services offered by organisations such as those supported through the fund are needed more than ever.

The fund has now reached the end of its investment period and has a portfolio of 25 companies. There has been great progress during the reporting period, reflecting both the need for these ventures and the current economic climate:

- Guardian Angel exited and as part of the acquisition, Octopus will invest capital to help scale the business. This, combined with shared learning will accelerate product innovation, improve customer experience and help grow reach and impact.
- We Are Digital successfully secured a significant investment round of \$6.6m led by Impact Partners. The investment will be used to grow the team, invest in the tech platform and triple its revenues and impact in the next three years.
- Tandem closed a £2m seed extension round.
- Minibems announced its merger with Evinox along with receipt of growth capital from SET Ventures.
- Mirthy was acquired by the Rest Less Group, though achieving no return, this allowed the platform and community to deliver ongoing impact.

The **iAMDigital Fund**, that was established by the Trust in partnership with Creative England (now Creative UK) is closed. All debt investments have been repaid and we continue to track the progress of our equity investment in social business, Bulbshare. Bulbshare is performing very well and continues to grow its revenues.

As one of the founding partners of **Bethnal Green Ventures**, we have supported them for several years through a combination of grants and the provision of an interest-free loan. Many of the companies in the Bethnal Green Ventures fund continue to perform well delivering significant impact for the communities they serve, including some of the ventures we share from Social Tech Trust's own portfolio: DrDoctor has closed a £10m growth round, Piclo an £8.3m Series B round and LettUs Grow has secured £2.75m investment from existing investors.

Collaborate to run programmes that scale and support tech companies

We continue to design and deliver innovative programmes with new and existing partners. Our programmes aim to directly scale ventures and create a supportive ecosystem for them to thrive. Our broad range of programmes take ventures to the next level of impact and sustainability through access to the right knowledge, networks, expertise and funding. We scale ventures through action research, roundtables, challenge prizes and venture development programmes e.g. accelerators.

During the 2022/2023 financial year, we delivered the following programmes to support our charitable objectives:

Programme: Social Tech Amplifier for Youth Unemployment

We are successfully running the Social Tech Amplifier, an accelerator that unlocks opportunities in the public sector supply chain and prepares ventures for scale through venture development activities and access to investment.

The Amplifier is a partnership between Catch22, Ufi VocTech Trust and Social Tech Trust. The programme finishes in July 2023 and the ventures also receive support from Hatch and Microsoft. As part of the programme 11 ventures are receiving support in:

- Accessing B2G markets: we are helping ventures to identify the impact and commercial opportunities for their product or service for use in public service delivery.
- Venture development and contract readiness: we are providing curated support across strategy, finance, branding, marketing, sales, and pitching.
- Technology support: ventures are benefiting from expert mentors and connections to Microsoft customers and partners.
- Raising investment: we are supporting ventures in understanding the types of funding and investment is available to them and what best aligns with their goals and needs.

The Trust is excited to build on the successes of the Social Tech Amplifier for Youth Unemployment and in its next iteration we will launch a scaled-up version of the programme at the end of 2023. We will work with partners to develop ventures that provide solutions across: employment and training, health and wellbeing, education, criminal justice, child exploitation and children's social care.

Programme: AI for Environmental Sustainability 2022

The AI for Environmental Sustainability accelerator concluded in August 2022. We supported ten social tech ventures that tackle pressing issues across reducing carbon emissions and waste, water preservation and protecting ecosystems.

The programme was designed to:

- develop ventures' technological capabilities and commercial strategy
- build the relationships ventures need to scale their solution
- enable ventures to measure and manage their impact

The programme was run in partnership with Microsoft and the Met Office and enabled ventures to tackle climate change from a holistic perspective. We supported ventures through expert advice, workshops and coaching.

At the end of the programme, ventures were asked whether working with Social Tech Trust had accelerated their progress. The ventures responded with following feedback:

"It is amazing to see how my team have empowered themselves to take ownership of our impact activities and run with it. It has gained a momentum I could never have anticipated or engineered myself."

"The sessions allowed us to develop an understanding of a transformative approach from different viewpoints considering us as innovators, to transformers and then market pioneers."

Programme: Identifying and supporting equality transformative potential in early stage ventures

To realise our impact thesis and provide capital to overlooked founders, we set ourselves a goal to explore the characteristics of transformative ventures that are focused on advancing equality. These types of ventures strengthen or create systems that support equality by tackling the root causes of inequality. We are aware that these types of ventures do not have a traditional profile and can be overlooked for funding opportunities.

We partnered with Equality Impact Investing Project (EIIP) and were awarded a grant from Connect Fund (Barrow Cadbury Trust) to launch a project to prepare us for applying a strategy of investing in equality transformative ventures into practice. The Connect Fund provides grants to develop shared infrastructure resources for a market that backs mission, as well as supporting tools, partnerships and initiatives that advance a more open and accessible social investment market.

Bringing the voice of the founders and their lived experience was key to narrowing the gap between strategies and practice. Consultations allowed us to bring the discussion to a very practical level and adjust our expectations as investors for their realities.

To deliver this programme with a collaborative and sector led approach, we ran a dynamic series of workshops, conducted individual consultations leading to the following outputs that have been well received in the sector:

1. A prototype diagnostic tool to identify and support early-stage equality transformative ventures. The tool translates the theory of Equality Impact Investing - targeting equality transformative ventures - into practice.
2. A list of recommendations on adjusting selection and due diligence processes of funds to support investment in tech ventures that demonstrate equality transformative potential.
3. A revised selection and due diligence processes for the Social Tech Ventures fund to use to invest in tech ventures that demonstrate equality transformative potential.
4. A list of barriers and needs of social tech ventures for scaling their equality transformative potential.
5. Two published articles and a well-attended roundtable to disseminate and share our learnings to influence the wider equality investing sector.

Our programme partner, EIIP “was impressed with the process by which STT went about developing the diagnostic tool, which in itself felt collaborative, inclusive and iterative. Different perspectives and voices were taken into account in the development of the diagnostic tool”.

Programme: Applying our EDI strategy in action and increasing our impact

The Trust’s vision is ‘a world where social transformation drives technology’, and the hallmarks of a better future are a fair and sustainable one. The Trust’s equality, diversity and inclusion (EDI) policy is clear that the vision is only possible when EDI is at the forefront of tech development, enabling ventures to harness the positive power of technology and manage its negative impacts. The Trust is committed to EDI recognising that making changes through empowerment and inclusion supported by diversity efforts, will lead to greater equality, a fairer society and more representative teams and sectors.

Over the past year we have taken action to fulfil our commitment to EDI through progressing our EDI action plan. This stems from our strategic Equality, Diversity and Inclusion (EDI) goals that have focused on three areas and is reported to Board and EDI Trustees Champions on a quarterly basis:

- growing equality-promoting ventures,
- meeting the needs of diverse founders and ventures
- and improving our practices through collaboration.

We actively participate in the Diversity Forum, as one of the early Diversity Forum Manifesto signatories. The Diversity Forum is a sector-wide initiative to improve diversity among social investors in the UK. The Trust has been actively involved in the Forum effecting system change through sharing our EDI learnings.

From April 2022 to March 2023, we implemented our first EDI Action Plan, translating our strategy into tangible actions. We are pleased to share some highlights of our achievements thus far:

- We ran a programme in partnership with EIIP and the Connect Fund to identify and support equality transformative potential in early stage ventures as summarised above.
- We strengthened our recruitment approach to increase our outreach towards underrepresented groups.
- We removed barriers including, but not limited to, the installation of an accessibility plug in to our website enabling visitors with disabilities to navigate our website.
- We made further changes to support an inclusive culture ensuring everyone has optimal conditions to perform their best at work, including, but not limited to, development of our gender and ethnicity pay gap report.

Looking forward

As we move into 2022/23, our work developing the Social Tech Ventures fund continues to gain traction. Not only will the fund increase access to appropriate capital for tech ventures that are overlooked by the existing investment market. It will also offer an alternative to the boom-or-bust approach of many venture funds by building a diversified portfolio of revenue generating, profitable impact ventures.

Parallel to the continued development of the fund, we are also increasing our programmatic activity. Our new programmes will identify early-stage ventures that have the potential to deliver equality outcomes by ensuring that technological solutions are also meeting the needs of marginalised and underserved people and groups. These programmes will cover a range of social challenges including the financial and economic resilience, health inequalities and climate justice.

Our work is designed to help ventures to deliver equality outcomes throughout society, whilst also demonstrating the viability and power of alternative approaches to technological innovation and investment. This is an important and exciting time to help shape the future of technology's relationship with society and we look forward to working with a diverse range of people and organisations to transform lives with tech.

Financial review

During the reporting period, the trust received £58k from Microsoft for AI for Environmental Sustainability programme and the development and launch of AI for Sustainability programme. The Trust also received £39k from the Connect Fund (Barrow Cadbury Trust). The Trust generated interest on our reserves of £32k in the year ending 31 March 2023. The Trust also received a £30k return, in addition to the repayment of our £24k original investment, from the Fair By Design fund, after the sale of Guardian Angel.

The Trust made gross social investments of £159k (2021: £327k) – with £109k to the Fair by Design Fund and £50k to Good Boost. The total amount invested in the Fair by Design Fund by the Trust at end of financial year was circa £733k (£267k commitment yet to be drawn down) of £1m investment.

Operating costs were kept to a minimum and costs incurred during the year were in direct relation to the ongoing running of the Trust. The Trust incurred £632k in combined direct and support costs related to charitable activities (2022: £563k).

Total creditors as at end of year 2023 are £49k, (2022: £42k) As disclosed in the previous years' accounts, the Trust is developing a new sustainable operating model. It is recognised that there has been a deficit over the year, and this is consistent with this stage of the business plan. The next stage is to transition to a more diversified and sustainable income-generating model and the Trust has realigned resource to pursue and develop new opportunities to achieve this. The trustees recognise the risks associated with the development of a sustainable business model. The balance sheet position remains strong with the cash balance at end of financial year of £2.75m and total reserves of £3.64m. These funds are held with major banks primarily on fixed term deposits of varying lengths.

Principal risks and uncertainties

The Trustees have identified the major risks which may affect the Trust and have taken reasonable steps to mitigate those risks:

- *Risk:* If the Trust does not have a sustainable business model, the Trust will not be able to deliver its strategy and business plan, threatening its ability to deliver social impact and remain as a going concern. This risk has been increased initially by the Coronavirus pandemic and further by economic uncertainty extending our timelines for developing new income streams while we have continued to reduce our reserves. *Mitigation:* The Trust has healthy reserves, providing the runway for the development and implementation of a sustainable business model with multiple income streams. A key metric is our runway length – extending this is an ongoing focus of the Board and team. We have reduced our core operational costs in the period and will continue to monitor our operational costs. The Trust's shift to increasing programmes activities in the next financial year supports the sustainability of the business model.
- *Risk:* The challenging fundraising environment due to global and economic uncertainty, delays or prevents us from raising the fund. *Mitigation:* We have implemented a model which enables us to understand the impact of differing scenarios on our resources, enabling transparency at Board level and supporting informed decisions and planning.
- *Risk:* Ensuring we maintain diversity of skills and backgrounds on our Board and in our team to support our ability to deliver our ambitious vision. *Mitigation:* We have recruited new positions supporting our strategy and reviewed our resource allocations whilst maintaining a lean approach. We have developed our recruitment strategy to support effective recruitment practices ensuring

we can attract diverse and specialist candidates.

Reserves policy and going concern

It is the Trust's policy to hold a minimum level of working capital to continue operations for a period of no less than 12 months. It is the view of the Trustees that a minimum level of unrestricted funds should be maintained at £0.5m to cover operational expenses. The Trust had unrestricted reserves of £3.64m at 31 March 2023, of which £267k is designated to further drawdowns by the Fair By Design Fund and £733k has been invested in the Fair by Design Fund to the end of the reporting period and £50k as a direct investment into Good Boost. The Trust also has £1m designated funds to support the Social Tech Ventures investment fund. This leaves free reserves of £1.87m, which is higher than the minimum reserves required by the Reserves Policy. The trustees are purposefully retaining this high level of reserves to allow the Trust to continue activity whilst pursuing new income streams to deliver sustainability.

Investment policy

The trustees pursue a low-risk investment policy to retain liquidity while the Trust establishes new income streams and, given the current market and the need to retain liquidity, there would be minimal benefit from moving to a riskier investment profile. The Trust continues to test and evaluate our approach to investment while raising an investment fund. All monies are invested in interest bearing investments or social investments.

Fundraising

The strategy to date has not been to secure income through fundraising sources. As such the charity, while fully aware of its responsibilities in this regard, has not sought formal registration with the fundraising regulator. Should the strategy change then registration would be made.

Structure, governance and management

Social Tech Trust is a charitable company limited by guarantee, incorporated on 28 April 2008 and registered as a charity on 5 September 2008.

The company was established under a memorandum of association which established the objects and powers of the charitable company. It is governed by Articles of Association dated 28 April 2008 as amended by Special Resolution dated 5 September 2008, 2 April 2015, 7 July 2016 and replaced by Articles of Association dated 30 May 2018.

All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 8 to the accounts.

During the year, the Trust had a Board of eight trustees as per the Articles of Association and there were six full-time members of staff.

Day-to-day management of the Trust is delegated to the CEO, Edward Evans who is supported by the senior leadership team comprising of the Operations Director and Programmes Director. All decisions relating to investments and strategy are made at quarterly Trustees' meetings and are minuted. If decisions need to be made outside the Trustee Meetings, a consensus view is reached via email.

Trustees are regularly updated on the progress of programmes, investments, partnerships and other activities for the public benefit.

The trustees confirm that they have complied with the duty in section 17(5) of the Charities Act 2011 to have due regard to the guidance published by the Charity Commission.

Trustee meeting attendance (total attendance varies due to membership movements e.g. start/end date):

| Trustee | Board | Finance, Risk and Audit Committee | Investment Committee | Nominations and Remuneration Committee |
|----------------------|--------|-----------------------------------|----------------------|--|
| William Liao | 4 of 4 | n/a | 2 of 2 | n/a |
| Nicolas Temple | 4 of 4 | 3 of 3 | n/a | n/a |
| Sunil Suri | 4 of 4 | 2 of 3 | n/a | n/a |
| Anisah Osman Britton | 3 of 4 | n/a | 1 of 2 | 0 of 3 |
| Nicholas Wise | 2 of 4 | n/a | n/a | 1 of 3 |
| Russell Johnstone | 3 of 4 | 2 of 3 | n/a | n/a |
| Robert Tashima | 3 of 4 | n/a | 1 of 2 | n/a |
| Maria Nelson | 4 of 4 | n/a | n/a | 3 of 3 |

NB Mehjabeen Patrick was appointed to the Board in June 2023 hence no meeting attendance records for the period.

Appointment of trustees

The Trust's Trustee recruitment policy is guided by the Articles of Association. These are that:

- The Board consists of not fewer than three and no more than ten persons elected by Members of the Trust. At the third Board Appointment Meeting (or if held, annual general meeting) after a Trustee's last appointment, a Trustee shall retire.

- Trustees may be re-appointed provided that no Trustee may continue to serve after six years in office without a period of at least a year out of office. If a resolution of the Board is passed by a majority of at least 75 per cent of those voting for the appointment of such Trustee, one further consecutive term of a maximum of three years may be made. No Trustee may serve for more than nine years in total.
- During the period, the Board approved the extension of the Chair's service by one additional year to support the strategy and smooth transition to the new Chair. The Board approved this by special resolution.

Trustee induction and training

Upon appointment, all Trustees are inducted to the organisation and briefed fully on their responsibilities. The Trustees are updated on any changes and developments in Charity Commission guidance by the CEO to ensure they are fully aware of, and comply with, all relevant legislation and guidance.

Related parties and relationships with other organisations

The Trust has one wholly owned subsidiary, Social Tech Ventures Limited, which was incorporated on 8 February 2019. The company has one director Edwards Evans, who is also CEO of Social Tech Trust.

Social Tech Ventures Limited has been established to carry out management of the Social Tech Ventures fund. Any conflicts of interest are declared at the beginning of all STT and STV Board meetings and managed according to the conflicts of interest policy.

The Trust had one related party transaction relating to the funding from Connect fund (Barrow Cadbury Trust). The key partner in this programme was Equality Impact Investing Project (EIIP) which is convened by Social Investment Business. Nicholas Temple, Social Tech Trust Trustee is Chief Executive of Social Investment Business. As this programme stemmed from the work of EIIP and the Trust, there was no other viable partner to conduct this work.

Remuneration policy for key management personnel

The salaries of senior members of staff are established with regard to pay levels in the sector for similar positions. From time to time, an external review of pay levels for all staff is commissioned.

Statement of responsibilities of the trustees

The trustees (who are also directors of Social Tech Trust for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted

Accounting Practice).

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

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice 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 charity will continue in operation

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

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The directors' annual report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Social Tech Trust

Trustees' Annual Report

For the year ended 31 March 2023

The trustees' annual report has been approved by the trustees on 16 December 2023 and signed on their behalf by

William Liao
Chairman

Opinion

We have audited the financial statements of Social Tech Trust (the 'charitable company') for the year ended 31 March 2023 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

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 are independent of the charitable 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' 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 Trust'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 trustees with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual 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, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' 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 statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of

company law) 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 trustees 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 trustees are responsible for assessing the charitable 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 trustees either intend to liquidate the charitable 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.

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 are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and the finance and audit committee, which included obtaining and reviewing supporting documentation, concerning the Trust's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the Trust operates in, focusing on those laws and regulations that had a material effect on the financial statements

Independent auditor's report

To the members of

Social Tech Trust

or that had a fundamental effect on the operations of the Trust from our professional and sector experience.

- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

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 so that we might state to the charitable 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Jonathan Orchard (Senior statutory auditor)

Date: 21 December 2023

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Social Tech Trust

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2023

| | | Unrestricted £ | Restricted £ | 2023 Total £ | Unrestricted £ | Restricted £ | 2022 Total £ |
|------------------------------------|-------------|-------------------|-----------------|--------------------|-------------------|-----------------|--------------------|
| Income from: | Note | | | | | | |
| Donations/Grants | 2 | – | 39,260 | 39,260 | 15 | – | 15 |
| Charitable activities | 3 | 58,325 | – | 58,325 | 122,433 | – | 122,433 |
| Investments | 4 | 38,469 | – | 38,469 | 235,695 | – | 235,695 |
| Exceptional Income | 5 | 32,717 | – | 32,717 | – | – | – |
| Total income | | 129,511 | 39,260 | 168,771 | 358,143 | – | 358,143 |
| Expenditure on: | | | | | | | |
| Charitable activities | | 598,724 | 39,260 | 637,984 | 562,662 | – | 562,662 |
| Total expenditure | 6 | 598,724 | 39,260 | 637,984 | 562,662 | – | 562,662 |
| Net movement in funds | | (469,213) | – | (469,213) | (204,519) | – | (204,519) |
| Reconciliation of funds: | | | | | | | |
| Total funds brought forward | | 4,100,210 | – | 4,100,210 | 4,304,729 | – | 4,304,729 |
| Total funds carried forward | | 3,630,997 | – | 3,630,997 | 4,100,210 | – | 4,100,210 |

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 17 to the financial statements.

Social Tech Trust

Balance sheet

Company no. 06578379

As at 31 March 2023

| | Note | £ | 2023 £ | £ | 2022 £ |
|--|------|-----------|------------------|------------------|------------------|
| Fixed assets: | | | | | |
| Tangible assets | 12 | | 4,133 | | 2,634 |
| Investments | 13 | | 882,932 | | 745,529 |
| | | | <u>887,065</u> | | <u>748,163</u> |
| Current assets: | | | | | |
| Debtors | 14 | 47,419 | | 254,650 | |
| Short term deposits | | 2,297,492 | | 2,285,677 | |
| Cash at bank and in hand | | 452,665 | | 854,916 | |
| | | | <u>2,797,575</u> | <u>3,395,243</u> | |
| Liabilities: | | | | | |
| Creditors: amounts falling due within one year | 15 | (53,643) | | (43,196) | |
| | | | | | |
| Net current assets | | | <u>2,743,932</u> | | <u>3,352,047</u> |
| Total net assets | | | <u>3,630,997</u> | | <u>4,100,210</u> |
| The funds of the charity: | 16a | | | | |
| Restricted funds | | | – | | – |
| Unrestricted income funds: | | | | | |
| Designated funds | | 2,000,000 | | 2,000,000 | |
| General funds | | 1,630,997 | | 2,100,210 | |
| | | | <u>3,630,997</u> | <u>4,100,210</u> | |
| Total unrestricted funds | | | <u>3,630,997</u> | | <u>4,100,210</u> |
| Total charity funds | | | <u>3,630,997</u> | | <u>4,100,210</u> |

Approved by the trustees on 16 December 2023 and signed on their behalf by

Bill Liao
Chairman

Social Tech Trust

Statement of cash flows

For the year ended 31 March 2023

| | Note | 2023 £ | £ | 2022 £ | £ |
|--|------|-------------------------|------------------|--------------------------|------------------|
| Cash flows from operating activities | | | | | |
| Net (expenditure) for the reporting period (as per the statement of financial activities) | | (469,213) | | (204,519) | |
| Depreciation charges | | 1,939 | | 1,171 | |
| Dividends, interest and rent from investments | | (32,017) | | (15,880) | |
| (Increase)/decrease in debtors | | 207,232 | | (142,897) | |
| (Decrease) in creditors | | 10,448 | | 1,314 | |
| Net cash (used in) operating activities | | | (281,611) | | (360,811) |
| Cash flows from investing activities: | | | | | |
| Dividends, interest and rents from investments | | 32,017 | | 15,880 | |
| Purchase of fixed assets | | (3,438) | | (1,597) | |
| Proceeds from repayment of social investments | | 21,241 | | 34,086 | |
| Purchase of social investments | | (158,644) | | (327,479) | |
| Net cash provided by/(used in) investing activities | | | (108,824) | | (279,111) |
| Change in cash and cash equivalents in the year | | | (390,435) | | (639,922) |
| Cash and cash equivalents at the beginning of the year | | | 3,140,592 | | 3,780,515 |
| Cash and cash equivalents at the end of the year | | | 2,750,157 | | 3,140,592 |
| Analysis of cash and cash equivalents | | | | | |
| | | At 1 April 2022 £ | Cash flows £ | At 31 March 2023 £ | |
| Cash at bank and in hand | | 854,916 | (402,251) | 452,665 | |
| Short Term Deposits | | 2,285,676 | 11,816 | 2,297,492 | |
| Total cash and cash equivalents | | 3,140,592 | (390,435) | 2,750,157 | |

1 Accounting policies

a) Statutory information

Social Tech Trust is a charitable company limited by guarantee and is incorporated in the United Kingdom.

The registered office address is Invicta House, 108-114 Golden Lane, London, EC1Y 0TL.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

In accordance with section 24 of the Charities SORP (FRS 102) the exemption to prepare consolidated accounts has been taken as the subsidiary, Social Tech Ventures Limited, is immaterial. Social Tech Ventures has therefore been disclosed as an investment held at cost.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

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

d) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. Further information in relation to going concern can be found in the trustees' annual report.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

1 Accounting policies (continued)

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

g) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

h) Fund accounting

Restricted funds are funds which are to be used for specific purposes as laid down by the donor or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund.

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

i) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Expenditure on charitable activities includes the costs incurred to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

j) Grants payable

Grants payable are made to third parties in furtherance of the charity's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

Notes to the financial statements

For the year ended 31 March 2023

1 Accounting policies (continued)

k) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

- Charitable activities 100%

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on staff time, of the amount attributable to each activity.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

l) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

m) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Impairment losses are recognised in the statement of financial activities.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- Fixtures and fittings 5 years
- IT equipment 3 years
- IT software 3 years

n) Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date, unless fair value can not be measured reliably in which case it is measured at cost less impairment. Any change in fair value will be recognised in the statement of financial activities. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

Social investments

Social investments are valued at their fair value. Where fair value is not practicable, social investments are recognised at cost less impairment. Valuation reports are received on a regular basis and evaluated by both board and trustees to ensure there is no impairment.

Investments in subsidiaries

Investments in subsidiaries are at cost.

o) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

p) Short term deposits

Short term deposits includes cash balances that are invested in accounts with a maturity date of between 3 and 12 months.

Notes to the financial statements

For the year ended 31 March 2023

1 Accounting policies (continued)

q) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

r) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

s) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

t) Pensions

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year. The assets of the scheme are held separately from those of the Charity in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the Society to the fund. The Charity has no liability under the scheme other than for the payment of those contributions.

2 Income from donations

| | Unrestricted £ | Restricted £ | 2023 Total £ | Unrestricted £ | Restricted £ | 2022 Total £ |
|----------------------|-------------------|-----------------|--------------------|-------------------|-----------------|--------------------|
| Grants and donations | – | 39,260 | 39,260 | 15 | – | 15 |
| | – | 39,260 | 39,260 | 15 | – | 15 |

3 Income from charitable activities

| | Unrestricted £ | Restricted £ | 2023 Total £ | Unrestricted £ | Restricted £ | 2022 Total £ |
|--------------------------------------|-------------------|-----------------|--------------------|-------------------|-----------------|--------------------|
| Partnership Income | 58,325 | – | 58,325 | 122,433 | – | – |
| Total income from Partnership income | 58,325 | – | 58,325 | 122,433 | – | – |

During the reporting period, the trust received £58k from Microsoft for delivery of AI for Social Impact programme and the development and launch of AI for Sustainability programme.

4 Income from investments

| | 2023 | 2022 |
|----------------------------------|---------------|---------|
| | Total | Total |
| | £ | £ |
| Bank deposit interest receivable | 32,017 | 15,880 |
| Return on Social Investments | 6,452 | 219,815 |
| | 38,469 | 235,695 |

All income from investments is unrestricted.

5 Other income

| | 2023 | 2022 |
|--------------|---------------|-------|
| | Total | Total |
| | £ | £ |
| Other income | 32,717 | – |

Other income primarily relates to the rebate of previously expensed social investments. All other income is unrestricted.

6a Analysis of expenditure (current year)

| | Charitable activities £ | Governance costs £ | Support costs £ | 2023 Total £ | 2022 Total £ |
|--------------------------------|-------------------------------|--------------------------|-----------------------|--------------------|--------------------|
| Staff costs (Note 8) | 302,136 | – | 136,109 | 438,245 | 418,131 |
| Contract Staff | 54,624 | – | 24,608 | 79,232 | 37,746 |
| Project Development | 25,257 | – | 10,747 | 36,004 | 29,044 |
| Office space | – | – | 900 | 900 | 884 |
| Accountancy fees | – | 10,189 | 615 | 10,804 | 5,080 |
| Tech support | 4,993 | – | 2,249 | 7,242 | 6,086 |
| Bank charges | – | – | 1,142 | 1,142 | 1,743 |
| Subscriptions | – | – | 2,149 | 2,149 | 3,332 |
| Legal and professional | – | – | 2,417 | 2,417 | 12,302 |
| IT and office equipment | 7,651 | – | 3,807 | 11,458 | 3,032 |
| Recruitment | – | – | 13,827 | 13,827 | 7,135 |
| Printing and stationery | 18 | – | 8 | 26 | 200 |
| Training and conferences | – | – | 12 | 12 | 1,442 |
| PR costs, branding and website | 9,568 | – | 4,310 | 13,878 | 22,005 |
| Travel and subsistence | 6,823 | – | 3,074 | 9,897 | 1,864 |
| Meeting costs | 345 | – | 155 | 500 | 166 |
| Telephone and postage | 2,726 | – | 1,228 | 3,954 | 4,717 |
| Other staff costs | – | – | 604 | 604 | 215 |
| Insurance | – | – | 3,754 | 3,754 | 6,367 |
| Depreciation | – | – | 1,939 | 1,939 | 1,171 |
| | 414,141 | 10,189 | 213,654 | 637,984 | 562,662 |
| Support costs | 213,654 | – | (213,654) | – | – |
| Governance costs | 10,189 | (10,189) | – | – | – |
| Total expenditure 2023 | 637,984 | – | – | 637,984 | |
| Total expenditure 2022 | 562,662 | – | – | | 562,662 |

6b Analysis of expenditure (prior year)

| | Charitable activities £ | Governance costs £ | Support costs £ | 2022 Total £ |
|--------------------------------|-------------------------------|--------------------------|-----------------------|--------------------|
| Staff costs (Note 8) | 288,269 | – | 129,862 | 418,131 |
| Contract Staff | 37,746 | – | – | 37,746 |
| Project Development | 29,044 | – | – | 29,044 |
| Office space | – | – | 884 | 884 |
| Accountancy fees | – | 5,080 | – | 5,080 |
| Tech support | 4,196 | – | 1,890 | 6,086 |
| Bank charges | – | – | 1,743 | 1,743 |
| Subscriptions | – | – | 3,332 | 3,332 |
| Legal and professional | – | – | 12,302 | 12,302 |
| IT and office equipment | – | – | 3,032 | 3,032 |
| Recruitment | – | – | 7,135 | 7,135 |
| Printing and stationery | 138 | – | 62 | 200 |
| Training and conferences | – | – | 1,442 | 1,442 |
| PR costs, branding and website | 15,170 | – | 6,835 | 22,005 |
| Travel and subsistence | 1,285 | – | 579 | 1,864 |
| Meeting costs | 114 | – | 52 | 166 |
| Telephone and postage | 3,252 | – | 1,465 | 4,717 |
| Other staff costs | – | – | 215 | 215 |
| Insurance | – | – | 6,367 | 6,367 |
| Depreciation | – | – | 1,171 | 1,171 |
| | 379,214 | 5,080 | 178,368 | 562,662 |
| Support costs | 178,368 | – | (178,368) | – |
| Governance costs | 5,080 | (5,080) | – | – |
| Total expenditure 2022 | 562,662 | – | – | 562,662 |

7 Net (expenditure) for the year

| | | |
|--|----------------------|----------------------|
| This is stated after charging / (crediting): | 2023 | 2022 |
| | £ | £ |
| Depreciation | 1,939 | 1,171 |
| Auditor's remuneration (excluding VAT): | | |
| Audit | 10,550 | 9,200 |
| | <u>12,489</u> | <u>10,371</u> |

8 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

| | | |
|---|-----------------------|-----------------------|
| | 2023 | 2022 |
| | £ | £ |
| Salaries and wages | 354,696 | 341,958 |
| Redundancy and termination costs | – | – |
| Other Staff Costs Childcare/Working from Home Allowance | 1,041 | |
| Social security costs | 39,198 | 34,320 |
| Employer's contribution to defined contribution pension schemes | 43,310 | 41,853 |
| | <u>438,245</u> | <u>418,131</u> |

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

| | | |
|---------------------|-----------------|-----------------|
| | 2023 | 2022 |
| | No. | No. |
| £110,000 – £119,999 | 1 | 1 |
| £70,000 – £79,999 | 2 | – |
| | <u>3</u> | <u>1</u> |

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £138,903 (2022: £125,956).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2022: £nil). The trust had one related party transaction, SIB (Social Investment Business), of which a trustee is an employee, received payment for professional or other services supplied to the charity (2023: £6,300).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £4,837 (2022: £0) incurred by 3(2022: 0) members relating to attendance at meetings of the trustees.

9 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 5.5 (2022: 6.83).

10 Related party transactions

There are no related parties which are outside the normal course of business and no restricted donations from related parties. There were no other related party transactions, other than those detailed in note 8 to the financial statements. At the year end there was a total of £6,300 outstanding to related party, SIB.

11 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

12 Tangible fixed assets

| | Fixtures and fittings £ | IT equipment £ | IT software £ | Total £ |
|--------------------------|-------------------------------|-------------------|------------------|------------|
| Cost | | | | |
| At the start of the year | 923 | 31,283 | 155,126 | 187,332 |
| Additions in year | – | 3,438 | | 3,438 |
| Disposals in year | – | (4,649) | – | (4,649) |
| At the end of the year | 923 | 30,072 | 155,126 | 186,121 |
| Depreciation | | | | |
| At the start of the year | 923 | 28,649 | 155,126 | 184,698 |
| Charge for the year | – | 1,939 | | 1,939 |
| Eliminated on disposal | – | (4,649) | – | (4,649) |
| At the end of the year | 923 | 25,939 | 155,126 | 181,988 |
| Net book value | | | | |
| At the end of the year | – | 4,133 | – | 4,133 |
| At the start of the year | – | 2,634 | – | 2,634 |

All of the above assets are used for charitable purposes.

13 Fixed asset investments

Investments comprise:

| | 2023 £ | 2022 £ |
|------------------------------|----------------|----------------|
| Social investments | 882,931 | 745,528 |
| Shares in group undertakings | 1 | 1 |
| | <u>882,932</u> | <u>745,529</u> |

Social investments

| | 2023 £ | 2022 £ |
|--------------------------------|----------------|----------------|
| Value at the start of the year | 745,528 | 452,134 |
| Additions at cost | 158,644 | 327,479 |
| Disposal proceeds/repayments | (27,693) | (253,900) |
| Gains | 6,452 | 219,815 |
| Impairment | – | – |
| Value at the end of the year | <u>882,931</u> | <u>745,528</u> |

Social Tech Trust became a partner in the Fair by Design Partnership during 2019. A capital contribution of £100 was made in the partnership in addition to a loan of £732,932 (and a return to STT, from the sale of Guardian Angel, on original investment of £23,859) to the partnership. The undrawn loan commitment is disclosed in note 18. We are pleased to note that the most recent valuation of the Fair by Design investment is valued at £1,077,264 at 30 September 2023 from an investment of £707,537. In addition, Social Tech Trust made an investment of £50,000 into Good Boost. Good Boost uses clinical technology to transform public swimming pools into therapeutic spaces for people living with musculoskeletal conditions. They seek to create accessible and affordable community services that reduce health inequalities. In July 2021, the Trust made a revenue-based investment into Xploro. Xploro uses augmented reality, gameplay and 3d interactive models of the hospital environment to familiarise children with treatments and procedures.

The loan is treated as permanent as investments and included in the financial statements as if it were part of the investment, as no interest is due on the loan, there are no set repayment dates and Social Tech Trust cannot call the loan. Repayment will occur on disposal of the investments within the Fair by Design Partnership should sufficient proceeds be realised. The trustees have considered if there are any indications of impairment of the loan and are satisfied the current value remains reasonable.

Subsidiary undertakings

The following were subsidiary undertakings of the company:

| Name | Holding |
|------------------------------|---------|
| Social Tech Ventures Limited | 100% |

Social Tech Ventures Limited was incorporated on 8 February 2019. Social Tech Ventures Limited is currently a dormant company. On the grounds of immateriality it has not been consolidated in these financial statements.

14 Debtors

| | 2023 £ | 2022 £ |
|--------------------------------|---------------|----------------|
| Trade debtors | – | – |
| Other debtors | 90 | 90 |
| VAT | 2,905 | – |
| Prepayments and accrued income | 44,424 | 254,560 |
| | 47,419 | 254,650 |

15 Creditors: amounts falling due within one year

| | 2023 £ | 2022 £ |
|------------------------------|---------------|---------------|
| Trade creditors | 20,023 | 5,814 |
| Taxation and social security | 13,289 | 11,579 |
| Grants payable | 4,500 | 4,500 |
| Other creditors | 3,409 | 3,832 |
| Accruals | 12,422 | 8,033 |
| VAT | – | 9,438 |
| | 53,643 | 43,196 |

16a Analysis of net assets between funds (current year)

| | General unrestricted £ | Designated £ | Restricted £ | Total funds £ |
|------------------------------------|------------------------------|------------------|-----------------|------------------|
| Tangible fixed assets | 4,133 | – | – | 4,133 |
| Fixed asset investments | 615,863 | 267,069 | – | 882,932 |
| Net current assets | 1,011,001 | 1,732,931 | – | 2,743,932 |
| Net assets at 31 March 2023 | 1,630,997 | 2,000,000 | – | 3,630,997 |

16b Analysis of net assets between funds (prior year)

| | General unrestricted £ | Designated £ | Restricted £ | Total funds £ |
|------------------------------------|------------------------------|------------------|-----------------|------------------|
| Tangible fixed assets | 2,634 | – | – | 2,634 |
| Fixed asset investments | 425,142 | 320,387 | – | 745,529 |
| Net current assets | 1,672,433 | 1,679,613 | – | 3,352,046 |
| Net assets at 31 March 2022 | 2,100,210 | 2,000,000 | – | 4,100,210 |

17a Movements in funds (current year)

| | At 1 April 2022 £ | Income & gains £ | Expenditure & losses £ | Transfers £ | At 31 March 2023 £ |
|---------------------------------|-------------------------|------------------------|------------------------------|----------------|--------------------------|
| Restricted funds: | | | | | |
| Connect Fund/Barrow Cadbury | – | 39,260 | (39,260) | – | – |
| Total restricted funds | – | 39,260 | (39,260) | – | – |
| Unrestricted funds: | | | | | |
| Designated funds: | | | | | |
| Fair by Design to Invest | 320,387 | 55,326 | (108,644) | – | 267,069 |
| Fair by Design Invested | 679,613 | (55,326) | 108,644 | – | 732,931 |
| Social Tech Ventures Fund | 1,000,000 | – | – | – | 1,000,000 |
| Total designated funds | 2,000,000 | – | – | – | 2,000,000 |
| General funds | 2,100,210 | 129,511 | (598,724) | – | 1,630,997 |
| Total unrestricted funds | 4,100,210 | 129,511 | (598,724) | – | 3,630,997 |
| Total funds | 4,100,210 | 168,771 | (637,984) | – | 3,630,997 |

17b Movements in funds (prior year)

| | At 1 April 2021 £ | Income & gains £ | Expenditure & losses £ | Transfers £ | At 31 March 2022 £ |
|---------------------------------|-------------------------|------------------------|------------------------------|----------------|--------------------------|
| Restricted funds: | | | | | |
| Access Foundation | - | - | - | - | - |
| Total restricted funds | - | - | - | - | - |
| Unrestricted funds: | | | | | |
| Designated funds: | | | | | |
| Fair by Design to Invest | 547,866 | - | (227,479) | - | 320,387 |
| Fair by Design Invested | 452,134 | - | 227,479 | - | 679,613 |
| Social Tech Ventures Fund | 1,000,000 | - | - | - | 1,000,000 |
| Total designated funds | 2,000,000 | - | - | - | 2,000,000 |
| General funds | 2,304,729 | 358,143 | (562,662) | - | 2,100,210 |
| Total unrestricted funds | 4,304,729 | 358,143 | (562,662) | - | 4,100,210 |
| Total funds | 4,304,729 | 358,143 | (562,662) | - | 4,100,210 |

Purposes of funds

Access Foundation – this represents funding for participation in the first development cohort of the Flexible Finance Programme

Restricted funds related to the Connect fund programme income from Barrow Cadbury Trust amounting to £39,260. The programme was delivered in 2022/2023 and the programme focussed on exploring the characteristics of transformative ventures that are focused on advancing equality and providing the sector with tools to support overlooked founders access capital.

Designated funds are funds to provide cornerstone investment into the Social Tech Ventures fund and in the Fair by Design fund. The Fair by Design fund funds exceptional businesses designed to make impact on the poverty premium, the total designated funds for Fair by Design invested include the original investment into Credit Kudos of £34k, and into Guardian Angels of £23,859.

Unrestricted funds are donations and other incoming resources received or generated for expenditure on the general objectives of the charity.

18 Capital commitments

At the balance sheet date, the charity had committed to £267,068 (2022: £320,387), in respect of undrawn loan commitments to the Fair by Design Partnership of £267,068 (2022: £320,387) and grants of £0 (2022: £0).

19 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.