

Registered Number 08093046

SOCIAL AND SUSTAINABLE CAPITAL INVESTMENTS LIMITED

Micro-entity Accounts

31 December 2021

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SOCIAL AND SUSTAINABLE CAPITAL INVESTMENTS LIMITED**Micro-entity Balance Sheet as at 31 December 2021****Registered Number 08093046**

	<i>Notes</i>	<i>2021</i>	<i>2020</i>
		<i>£</i>	<i>£</i>
Called up share capital not paid		-	-
Fixed Assets		36	36
Current Assets		301	201
Net current assets (liabilities)		<u>301</u>	<u>201</u>
Total assets less current liabilities		<u>337</u>	<u>237</u>
Total net assets (liabilities)		<u>337</u>	<u>237</u>
Capital and reserves		<u>337</u>	<u>237</u>

- For the year ending 31 December 2021 the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.
- The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.
- The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.
- The accounts have been prepared in accordance with the micro-entity provisions and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

Approved by the Board on 4 July 2022

And signed on their behalf by:

Mr Benjamin Rick, Director

SOCIAL AND SUSTAINABLE CAPITAL INVESTMENTS LIMITED

Registered Number 08093046

Notes to the Micro-entity Accounts for the period ended 31 December 2021

1 Employees

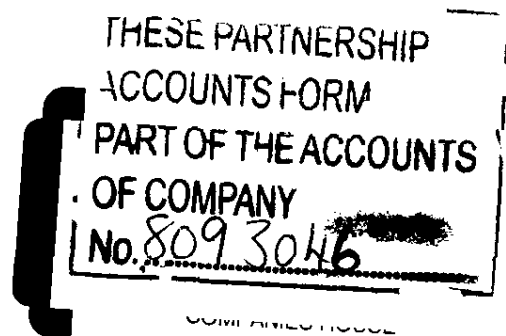
	<i>2021</i>	<i>2020</i>
Average number of employees during the period	0	0

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.



Social and Sustainable Housing L.P.

**Audited Financial Statements
For the year ended 31 December 2021
Registered Number: LP020156**



Social and Sustainable Housing Fund L.P.

Registered No: LP020156

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Social and Sustainable Housing Fund L.P.

Registered No: LP020156

General Partner's Report

Introduction

This report is in respect of Social and Sustainable Housing Fund L.P. (as defined in Note 1 of the financial statements) for the year ended 31 December 2021.

The General Partner of the Fund is Social and Sustainable Capital Investments Limited, an English limited liability partnership. The manager and operator of the Partnership is Social and Sustainable Capital LLP (the "Manager", "Initial Limited Partner", or "SASC"). SASC is authorised and regulated by the UK Financial Conduct Authority.

Investment Objective and Strategy

The Partnership's investment objective is to deliver a financial return alongside positive social impact in the United Kingdom by financing Social Sector Organisations (the "SSOs") to purchase and manage portfolios of residential property for their disadvantaged beneficiaries as defined in the Limited Partnership Agreement (the "Partnership Agreement") dated 22 May 2019.

The Partnership's social impact aims are:

- to strengthen SSOs by improving their long-term sustainability; and
- to improve the lives of disadvantaged individuals through access to safe, stable and appropriate housing.

The Partnership will invest in SSOs across the United Kingdom that:

- offer services to disadvantaged individuals;
- have a track record of managing property; and
- deliver measurable social impact.

The Partnership will invest by way of a credit facility in SSOs that are:

- registered charities;
- charitable incorporated organisations;
- companies limited by guarantee;
- community interest companies;
- industrial provident societies for the benefit of the community.

The Partnership's ultimate aim and objective is to carry out the business of the Investor Partners with a view to producing a profit and generating social impact by providing access to loan finance, particularly secured loans.

Portfolio Review

As at 31 December 2021, the Partnership had a total of thirteen Investments (31 December 2020: six).

Partnership Commitments

The Partnership has Total Commitments amounting to £64.48 million (31 December 2020: £57.73 million). At 31 December 2021, a total of £26.97 million (31 December 2020: £13.09 million) had been drawn by the partnership.

Statement of Comprehensive Income

The Partnership's Statement of Comprehensive Income set out on page 9 shows a net total income for the year of £0.16 million (31 December 2020: net loss of £0.42 million). This is comprised of total income for the year of £0.56 million (31 December 2020: £0.11 million) and expenses incurred during the year of £0.40 million (31 December 2020: £0.53 million).

Social and Sustainable Housing Fund L.P.

Registered No: LP020156

General Partner's Report (continued)

Statement on Covid-19 & War in Ukraine

2021 saw the continuation and evolution of the COVID-19 pandemic together with the associated economic uncertainties. We have continued to work hard, adapting well to the mixed home/office environment, while also confronting the reality of the various COVID-19 waves. Our working arrangements currently encourage staff to spend at least two days in the office. We will continue to monitor and assess any possible future impact on the business. The war in Ukraine is not expected to have a direct impact on the business.

Going concern

Based on cash held at the date of sign off of these financial statements and projected cash flows including general partner share and limited fixed costs, the Manager believes that the Fund has adequate resources to settle its obligations as they fall due for a period of at least twelve months following the signing date of these financial statements and therefore the accounts have been prepared on a going concern basis.

Statement of General Partner's Responsibilities

The General Partner is responsible for preparing the General Partner's Report and financial statements in accordance with applicable law and regulations.

The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 require the General Partner to prepare financial statements for each financial year. Under that regulation, the General Partner has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under these regulations, the General Partner 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 Partnership and of the Profit or Loss of the Partnership for that period. In preparing these financial statements, the General Partner is required to:

- select suitable and appropriate accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Partnership will continue in business.

The General Partner is responsible for keeping adequate accounting records that are sufficient to show and explain the Partnership's transactions and disclose with reasonable accuracy at any time the financial position of the Partnership and enable them to ensure that the financial statements comply with The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. The General Partner is also responsible for safeguarding the assets of the Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Social and Sustainable Housing Fund L.P.

Registered No: LP020156

General Partner's Report (continued)

Auditor

A resolution to reappoint BDO LLP as the auditor will be put to the General Partner in accordance with the Partnership Agreement.

All the current Members of the General Partner have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Partnership's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The Partners are not aware of any relevant audit information of which the auditors are unaware.

On behalf of the General Partner:



Benjamin Rick
3 May 2022

Social and Sustainable Housing Fund L.P.

Registered No: LP020156

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOCIAL AND SUSTAINABLE HOUSING LIMITED PARTNERSHIP

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Limited Liability Partnership's affairs as at 31 December 2021 and of its loss 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 applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008.

We have audited the financial statements of Social and Sustainable Housing Limited Partnership ("the Limited Partnership") for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Net Assets Attributable to Members, the 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 Limited Partnership 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 Members' 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 Limited Partnership'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 Members with respect to going concern are described in the relevant sections of this report.

Other information

The Members are responsible for the other information. The other information comprises the information included in the Member's 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.

Social and Sustainable Housing Fund L.P.

Registered No: LP020156

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOCIAL AND SUSTAINABLE HOUSING LIMITED PARTNERSHIP (*CONTINUED*)

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 as applied to limited liability partnerships

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 as applied to limited partnerships 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
- we have not received all the information and explanations we require for our audit

Responsibilities of Members

As explained more fully in the Members' responsibilities statement, the Members 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 Members 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 Members are responsible for assessing the Limited Partnership'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 Members either intend to liquidate the Limited Partnership 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 LP and considered the risk of acts by the LP which were contrary to applicable laws and regulations, including fraud. These laws and regulations included but were not limited to compliance with the Companies Act 2006 as applicable to LPs and UK accounting standards.

Social and Sustainable Housing Fund L.P.

Registered No: LP020156

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOCIAL AND SUSTAINABLE HOUSING LIMITED PARTNERSHIP (*CONTINUED*)

We considered compliance with laws and regulations that could give rise to a material misstatement in the LPs financial statements. Our tests included, but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of designated members and management;
- testing of journal postings made during the year to identify potential management override of controls;
- review of meeting minutes throughout the period. We communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and discussed how and where these might occur and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit;
- assessing whether the judgements made in making accounting estimates are indicative of a potential bias;
- evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- considering the effectiveness 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.

Use of our report

This report is made solely to the Limited Partnership's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006 as applied by Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the Limited Partnership'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 Limited Partnership and the Limited Partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Vanessa Bradley

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Vanessa-Jayne Bradley (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor

London, UK

3 May 2022

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

Social and Sustainable Housing Fund L.P.

Registered No: LP020156

Statement of Comprehensive Income

	Notes	For the year ended 31 December 2021 £	For the year ended 31 December 2020 £
Income			
Investment income	2	564,726	108,526
Bank interest income	2	-	1,206
Total income		564,726	109,732
Expenses	5	(401,453)	(525,360)
Total net income / (loss) for the year		163,273	(415,628)

All results shown in the Statement of Comprehensive Income are from continuing operations.

Net income for the year and total comprehensive income for the year was £163,273 (31 December 2020: net loss of £415,628). There were no items of Other Comprehensive Income during the year (31 December 2020: £nil).

The notes on pages 15 to 22 form an integral part of these financial statements.

Social and Sustainable Housing Fund L.P.

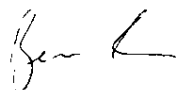
Registered No: LP020156

Statement of Financial Position

	Notes	As at 31 December 2021 £	As at 31 December 2020 £
Non-Current assets			
Loans and receivables, net	7	19,881,740	8,224,500
Current assets			
Cash at bank	8	5,742,186	4,422,111
Receivables, net	10	647,776	60,306
Total assets		26,271,702	12,706,917
Current liabilities			
Payables	11	(62,877)	(536,365)
Total liabilities		(62,877)	(536,365)
Net assets attributable to Partners		26,208,825	12,170,552
Partners' accounts			
Loan account		26,969,608	13,094,608
Retained loss		(760,783)	(924,056)
Net assets attributable to Partners		26,208,825	12,170,552

The notes on pages 15 to 22 form an integral part of these financial statements.

The financial statements on pages 9 to 14 were approved by the General Partner on 3 May 2022.



Benjamin Rick

3 May 2022

Social and Sustainable Housing Fund L.P.

Registered No: LP020156

Statement of Changes in Net Assets attributable to Partners

	Inception to Date					Net Assets Value £
	Opening Net Assets Value	Partners' Contributions	Partner Transfer	Interest Free Loan to GP	Net Loss	
	£	£	£	£	£	
Investor 1	-	418,294	-	-	(11,800)	406,494
Investor 2	-	836,592	-	-	(23,599)	812,993
Investor 3	-	104,573	-	-	(2,950)	101,623
Investor 4	-	836,592	-	-	(23,599)	812,993
Investor 5	-	836,592	-	-	(23,599)	812,993
Investor 6	-	836,592	-	-	(23,599)	812,993
Investor 7	-	5,735,470	(1,055,095)	-	(129,797)	4,550,578
Investor 8	-	2,185,403	-	-	(61,648)	2,123,755
Investor 9	-	704,473	-	-	(19,872)	684,601
Investor 10	-	104,573	-	-	(2,950)	101,623
Investor 11	-	418,294	-	-	(11,800)	406,494
Investor 12	-	73,202	-	-	(2,065)	71,137
Investor 13	-	125,489	-	-	(3,540)	121,949
Investor 14	-	5,500,592	-	-	(155,166)	5,345,426
Investor 15	-	1,293,086	-	-	(36,475)	1,256,611
Investor 16	-	104,573	-	-	(2,950)	101,623
Investor 17	-	41,828	-	-	(1,180)	40,648
Investor 18	-	418,294	-	-	(11,800)	406,494
Investor 19	-	418,294	-	-	(11,800)	406,494
Investor 20	-	104,573	-	-	(2,950)	101,623
Investor 21	-	2,091,479	-	-	(58,998)	2,032,481
Investor 22	-	3,048,732	1,055,095	-	(117,997)	3,985,831
Investor 23	-	522,869	-	-	(14,749)	508,120
Investor 24	-	209,149	-	-	(5,900)	203,249
Grand Total	-	26,969,608	-	-	(760,783)	26,208,825

The notes on pages 15 to 22 form an integral part of these financial statements.

Social and Sustainable Housing Fund L.P.

Registered No: LP020156

Statement of Changes in Net Assets attributable to Partners (continued)

For the year ended 31 December 2021

	Opening Net Assets Value	Partners' Contributions	Partner Transfer	Interest Free Loan to GP	Net Income / (Net Loss)	Net Assets Value
	£	£	£	£	£	£
Investor 1	210,837	191,449	-	-	4,208	406,495
Investor 2	421,673	382,903	-	-	8,416	812,992
Investor 3	52,710	47,861	-	-	1,052	101,623
Investor 4	421,673	382,903	-	-	8,416	812,992
Investor 5	421,673	382,903	-	-	8,416	812,993
Investor 6	421,673	382,903	-	-	8,416	812,992
Investor 7	2,319,203	2,105,956	-	-	125,418	4,550,577
Investor 8	1,101,527	1,000,242	-	-	21,986	2,123,755
Investor 9	355,079	322,434	-	-	7,087	684,600
Investor 10	52,710	47,861	-	-	1,052	101,623
Investor 11	210,837	191,449	-	-	4,208	406,495
Investor 12	36,896	33,505	-	-	736	71,137
Investor 13	63,252	57,435	-	-	1,263	121,949
Investor 14	2,772,499	2,517,588	-	-	55,339	5,345,425
Investor 15	651,764	591,839	-	-	13,009	1,256,612
Investor 16	52,710	47,861	-	-	1,052	101,624
Investor 17	21,084	19,144	-	-	421	40,649
Investor 18	210,837	191,449	-	-	4,208	406,494
Investor 19	210,837	191,449	-	-	4,208	406,494
Investor 20	52,710	47,861	-	-	1,052	101,623
Investor 21	1,054,184	957,255	-	-	21,041	2,032,480
Investor 22	1,054,184	3,048,732	-	-	(117,085)	3,985,831
Investor 23	-	522,869	-	-	(14,749)	508,120
Investor 24	-	209,149	-	-	(5,900)	203,249
Grand Total	12,170,552	13,875,000	-	-	163,273	26,208,825

The notes on pages 15 to 22 form an integral part of these financial statements.

Social and Sustainable Housing Fund L.P.

Registered No: LP020156

Statement of Changes in Net Assets attributable to Partners (continued)

For the year ended 31 December 2020

	Opening Net Assets Value	Partners' Contributions	Partner Transfer	Interest Free Loan to GP	Net (Loss) / Income	Net Assets Value
	£	£	£	£	£	£
Investor 1	101,362	105,795	-	4	3,676	210,837
Investor 2	202,724	211,590	-	8	7,351	421,673
Investor 3	25,340	26,450	-	1	919	52,710
Investor 4	202,724	211,590	-	8	7,351	421,673
Investor 5	101,362	332,639	-	4	(12,332)	421,673
Investor 6	152,044	272,114	-	6	(2,491)	421,673
Investor 7	506,811	3,024,266	(1,055,095)	19	(156,798)	2,319,203
Investor 8	264,786	868,946	-	10	(32,215)	1,101,527
Investor 9	85,355	280,106	-	3	(10,385)	355,079
Investor 10	25,340	26,450	-	1	919	52,710
Investor 11	101,362	105,795	-	4	3,676	210,837
Investor 12	12,671	24,566	-	-	(341)	36,896
Investor 13	30,409	31,739	-	1	1,103	63,252
Investor 14	613,242	2,250,653	-	23	(91,419)	2,772,499
Investor 15	156,672	514,146	-	6	(19,060)	651,764
Investor 16	25,340	26,450	-	1	919	52,710
Investor 17	10,136	10,579	-	1	368	21,084
Investor 18	-	226,845	-	-	(16,008)	210,837
Investor 19	-	226,845	-	-	(16,008)	210,837
Investor 20	-	56,712	-	-	(4,002)	52,710
Investor 21	-	1,134,224	-	-	(80,040)	1,054,184
Investor 22	-	-	1,055,095	-	(911)	1,054,184
Grand Total	2,617,680	9,968,500	-	100	(415,728)	12,170,552

The notes on pages 15 to 22 form an integral part of these financial statements.

Social and Sustainable Housing Fund L.P.

Registered No: LP020156

Statement of Cash Flows

	Notes	For the year ended 31 December 2021 £	For the year ended 31 December 2020 £
Cash flows from operating activities			
Net income / (loss) for the year		163,273	(415,628)
<i>Movement in working capital:</i>			
(Increase) / decrease in receivables	10	(587,470)	127,095
Decrease in payables	11	(473,488)	(1,542,057)
Net cash outflow from operating activities		(897,685)	(1,830,590)
Cash flows from investing activities			
Purchase of loans and receivables	7	(11,657,240)	(6,474,500)
Net cash outflow from investing activities		(11,657,240)	(6,474,500)
Cash flows from financing activities			
Loan contributions from Partners		13,875,000	9,968,500
Net cash inflow from financing activities		13,875,000	9,968,500
Net increase in cash and cash equivalents	8	1,320,075	1,663,410
Cash and cash equivalents at the start of the year		4,422,111	2,758,701
Cash and cash equivalents at the end of the year		5,742,186	4,422,111

The notes on pages 15 to 22 form an integral part of these financial statements.

Social and Sustainable Housing Fund L.P.

Registered No: LP020156

Notes to the Audited Financial Statements

Note 1 - General information

Social and Sustainable Housing Fund L.P. (the “Fund” or the “Partnership”) was formed on 10 April 2019 as a limited partnership under the U.K’s Limited Partnerships Act 1907. The General Partner is responsible for managing the Partnership pursuant to the terms of the Limited Partnership Agreement (the “Partnership Agreement” or “LPA”) dated 22 May 2019.

The General Partner of the Partnership is Social and Sustainable Capital Investments Limited (the “General Partner”), a Private limited Company incorporated in the U.K on 01 June 2012.

The General Partner in its capacity appointed Social and Sustainable Capital LLP (the “Manager”) as an associate of the General Partner. The General Partner is a wholly owned subsidiary of the Manager. The Manager is responsible for managing the Partnership’s Investments pursuant to the terms of the agreement between the General Partner and the Manager.

The Partnership’s Investment Objective is as set out in the General Partner’s report.

Capitalised terms used but not defined herein shall have the meaning assigned to them in the Partnership Agreement.

The Partnership’s registered office address is 4th Floor Reading Bridge House, George Street, Reading, Berkshire, United Kingdom, RG1 8LS.

Note 2 - Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to the period presented, unless otherwise stated

Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard (“FRS”) 102, the FRS applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006. The financial statements are prepared on going concern basis.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the entity’s accounting policies.

Going concern

Based on cash held at the date of sign off of these financial statements and projected cash flows including general partner share and limited fixed costs, the Manager believes that the fund has adequate resources to settle its obligations as they fall due for a period of at least twelve months following the signing date of these financial statements and therefore the accounts have been prepared on a going concern basis.

Investment income

Investment income is derived from a financial asset in the form of Interest income, which is recognised when it is probable that the economic benefits will flow to the Partnership, and the amount of interest can be measured reliably. Interest income is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable.

Social and Sustainable Housing Fund L.P.

Registered No: LP020156

Notes to the Audited Financial Statements (continued)

Note 2 - Significant accounting policies (continued)

Bank interest income

Bank interest income is derived from Cash at bank and recognised using the effective interest method.

Establishment and organisational expenses

Expenses incurred in establishing the Partnership have been fully charged to the Statement of Comprehensive Income in the period that they are incurred.

Partnership expenses

Expenses are included in the Statement of Comprehensive Income on an accruals basis.

Financial instruments

The Partnership normally invests in debt instruments for community led SSOs.

Financial assets are assets whose value is derived from a contractual claim, such as bank deposits, bonds, and stocks. The relevant financial assets in these financial statements are loans, receivables, cash and cash equivalents, trade receivables and accrued income.

Loans and receivables

(i) Classification

The Partnership classifies its Investments as loans and receivables and are recognised in line with FRS 102.

(ii) Initial and subsequent measurement

Investments are recognised on the date on which the Partnership becomes a party to the contractual provisions of the Investment.

Financial assets recognised as loans and receivables, should be measured at amortised cost using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the net carrying amount of the financial asset or liability. Financial assets that are not carried at fair value through the Statement of Financial Position are subject to an impairment test. If expected life cannot be determined reliably, then the contractual life is used.

The standard loan period is ten years. Over the life of the loan, the fund receives a share of rental income generated by the underlying property portfolio which the loan was used to purchase.

At the end of the loan period, the redemption value is 85% of the property portfolio valuation, subject to a minimum of 75% of the initial loan value.

The fund model assumes increases in house prices that will result in the fund generating c1% per annum of capital growth.

Given the long dated nature of the fund, and the difficulty assessing the impact on redemption value from small changes in house prices in the early years of the loans, the loans will be carried at book value for the first five years. If a specific portfolio experiences significant price changes (higher or lower) in this first five years, the manager will consider whether a change in carrying value is appropriate.

Over the final five years of the loan period, the carrying value will be based on a valuation of the portfolio and an assessment of the house price outlook for the remainder of the term of the loan. Initially these valuations will be desk top, with an increased element of physical inspection of actual properties in the portfolio closer to the redemption date.

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Notes to the Audited Financial Statements (continued)

Note 2 - Significant accounting policies (continued)

Financial instruments (continued)

(iii) Capitalisation of interest

When it has been agreed with the borrower or in accordance with the Loan's Facility Agreement, interests are capitalised and form part of the Investment's carrying amount.

(iv) Derecognition

Investments are derecognised when the rights to receive cash flows from Investments have expired or the Partnership has substantially transferred all risk and rewards of ownership.

(v) Impairment policy

The Partnership assess at each Statement of Financial Position date whether there is any objective evidence of impairment. If any such evidence exists, the Partnership will perform a detailed impairment calculation to determine whether an impairment loss should be recognised. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the financial asset's original effective interest rate.

If, in a subsequent period, the amount of the impairment loss relating to a financial asset carried at amortised cost decreases due to an event occurring after the impairment was originally recognised, the previously recognised impairment loss is reversed through the Statement of Comprehensive Income.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost less a provision for any uncollectible amounts. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly. Impairment charges will be included in the Statement of Comprehensive Income, to the extent they reverse income previously recognised.

Cash and cash equivalents

Cash and cash equivalents include cash at hand, demand deposits, other short term highly liquid Investments with original maturities of three months or less.

Financial liabilities

Financial liabilities such as trade and other payables are initially recognised at fair value, and subsequently measured at amortised cost.

Taxation

No provision has been made for taxation in the Partnership. Each Limited Partner is exclusively liable for any tax liabilities arising out of its interest in the Partnership, which will be assessed on each Partner and not on the Partnership.

Functional and presentation currency

The financial statements of the Partnership are presented in U.K. Sterling, which is the Partnership's functional and presentation currency. The Partnership's performance is evaluated, and its liquidity is managed in U.K. Sterling. Therefore, the U.K. Sterling is considered as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

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Notes to the Audited Financial Statements (continued)

Note 2 - Significant accounting policies (continued)

Allocation of profits and losses between Partners

Income, Capital Gains and Distributions are allocated in accordance with clause 3, 5.4 and 10.3 of the LPA. Every Partner has an interest in every asset of the Partnership and accordingly, the balance of Net Income, Net Income Losses, Capital Gains and Capital Losses of the Partnership remaining following the allocation of the priority profit share (pursuant to clause 5.1 of the LPA) in each Accounting Period shall be allocated between the Partners in proportion to their Capital Contributions. To the extent that there is insufficient Income and Capital Gains to allocate against the General Partner's Share, the balance of the drawings takes the form of an interest free loan which is only recoverable from the General Partner by an allocation of Income or Capital Gains. The outstanding balance of the interest free loan was £nil as at 31 December 2021 (31 December 2020: £nil).

Distributions of income proceeds and capital proceeds

Proceeds of the Partnership shall be distributed in accordance with clause 6 of the Partnership Agreement. All receipts of the Partnership available for distribution after payment of or provision for the expenses and liabilities of the Partnership (including but not limited to Establishment Expenses, Ongoing Expenses, Management Fee, the General Partner's priority profit share and any amounts referred to in clause 7.14 of the Partnership Agreement) shall be distributed to the Investors, pro rata to the amount of their respective Capital Contributions.

Timing of distributions

Subject to the provisions of clause 6.2 of the Partnership Agreement:

- Net Income of the Partnership shall be distributed in accordance with clause 6.1 of the Partnership Agreement as soon as possible after 31 December of each year, or at more frequent intervals as the manager may determine, in its sole discretion;
- Capital Proceeds shall be distributed in accordance with clause 6.1 of the Partnership Agreement as soon as practicable after the relevant amounts have been received in cash by the Partnership; and
- any other amounts shall be distributed as soon as possible after 31 December of each year, or at more frequent intervals as the Manager may determine, in its sole discretion.

Note 3 - General Partner's Share

General Partner's Share of the Partnership is calculated in accordance with clause 5 of the Partnership Agreement dated 22 May 2019.

The General Partner's Share ("GPS") is treated as a non-recourse expense in the Statement of Comprehensive Income. This includes any amounts paid in the form of an Expense - GPS. The GPS share for the year ended 31 December 2021 was £100 (31 December 2020: £100).

Note 4 - Related Party Disclosures

The General Partner and the Manager are related parties to the Partnership. GPS of £300 is payable to the General Partner as at 31 December 2021 (31 December 2020: £200). The Manager received management fees of £250,000 (31 December 2020: £250,000) of which £nil was outstanding as at the year ended 31 December 2021 (31 December 2020: £nil).

No other transactions have occurred between related parties apart from those mentioned above.

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Notes to the Audited Financial Statements (continued)

Note 5 – Expenses

	For the year ended 31 December 2021	For the year ended 31 December 2020
	£.	£
Management fees	250,000	250,000
Establishment and organisational expenses	-	38,919
Legal fees	16,554	73,350
Administration fees	104,894	87,367
Other expenses	18,835	68,064
Audit fees	11,070	7,560
General partner's share	100	100
Total	401,453	525,360

Note 6 – Information in relation to Partners

	As at 31 December 2021	As at 31 December 2020
	No.	No.
Average number of partners during the year	24	21
		£
Income / (loss) for the financial year available for discretionary division among members	163,273	(415,628)

Note 7 - Loans and receivables

Inception to date

	Loans	Disposals	Provision for impairment	As at 31 December 2021
	£	£	£	£
Loans and receivables	19,881,740	-	-	19,881,740
Total	19,881,740	-	-	19,881,740

Year ended 31 December 2021

	As at 1 January 2021	Additions	Disposals	Provision for impairment	As at 31 December 2021
	£	£	£	£	£
Loans and receivables	8,224,500	11,657,240	-	-	19,881,740
Total	8,224,500	11,657,240	-	-	19,881,740

Year ended 31 December 2020

	As at 1 January 2020	Additions	Disposals	Provision for impairment	As at 31 December 2020
	£	£	£	£	£
Loans and receivables	1,750,000	6,474,500	-	-	8,224,500
Total	1,750,000	6,474,500	-	-	8,224,500

For the year ended 31 December 2021, the Partnership invested a total of £11.66 million (31 December 2020: £6.47 million)

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Notes to the Audited Financial Statements (continued)

Note 8 - Cash and cash equivalents

	As at 31 December 2021 £	As at 31 December 2020 £
Cash at bank	5,742,186	4,422,111
Total	5,742,186	4,422,111

Note 9 – Debt analysis

	As at 1 January 2021 £	Cash flow £	Other non-cash changes £	As at 31 December 2021 £
Cash at bank	4,422,111	1,320,075	-	5,742,186
Amount due to Limited Partner	(447,216)	438,599	-	(8,617)
Amounts due to Related Party	-	-	(3,500)	(3,500)
Payables and accruals	(88,949)	38,489	-	(50,460)
Total net cash	3,885,946	1,797,163	(3,500)	5,679,609

Note 10 - Receivables, net

	As at 31 December 2021 £	As at 31 December 2020 £
Receivable from investments	181,552	60,306
Call receivable	446,224	-
Total	647,776	60,306

Note 11 – Payables

	As at 31 December 2021 £	As at 31 December 2020 £
Amount due to Limited Partner	8,617	447,216
Amount due to Related Party	3,500	-
Payables and accruals	50,460	88,949
General partner's share	300	200
Total	62,877	536,365

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Notes to the Audited Financial Statements (continued)

Note 12 - Financial risk management

Risk management structure

The General Partner sets objectives, policies and processes for managing and monitoring the overall risk within the Partnership. This note provides further information on the specific risks faced by the Partnership.

The capital structure of the Partnership consists of equity commitments made by the Limited Partners in accordance with the Partnership Agreement. Hence, the General Partner believes that the Partnership has sufficient capital to cover its liabilities. Further capital is called from the Limited Partners in accordance with the Partnership Agreement.

Credit risk

Credit risk is the potential that an issuer, counterparty or an underlying Investment third party will be unable to meet commitments that it has entered into with the Partnership and/or the commitments with underlying Investments of the Partnership.

At the reporting date, the Partnership's financial assets exposed to credit risk amounted to the following:

	As at 31 December 2021	As at 31 December 2020
Loan and receivables	19,861,740	8,224,500
Operating and other receivables	647,776	60,306
Cash and cash equivalents	5,742,186	4,422,111
Total cash and cash equivalents	26,271,702	12,706,917

At the Partnership level, the maximum exposure to credit risk, in the event that counterparties fail to perform their obligations as at year-end, is the carrying amount of those assets as indicated in the Statement of Financial Position. Concentrations of credit risk exist when changes in economic, industry or geographic factors similarly affect the Partnership's counterparties whose aggregate credit exposure is significant in relation to the Partnership's total credit exposure.

As at 31 December 2021, none of assets held by the Partnership are determined to be impaired, thus, no impairment provision and no write off were recognised in the Statement of Comprehensive Income.

Liquidity risk

Liquidity risk is the risk that the Partnership may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Partnership's Investments are subject to liquidity risk in the normal course of business. The General Partner manages this risk by ensuring that sufficient funds exist to meet outstanding commitments, other liabilities incurred by the operating activities of the Partnership and short-term liquidity needs, as and when they fall due.

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Notes to the Audited Financial Statements (continued)

Note 12 - Financial risk management (continued)

Capital risk management

The capital of the Partnership is represented by the net assets attributable to the Partners. The Partnership's objective when managing the capital is to safeguard the ability to continue as a going concern in order to provide returns for Partners and benefits for other stakeholders and to maintain a strong capital base to support the development of the Investment activities of the Partnership. In order to maintain or adjust the capital structure, the General Partner may call unfunded commitments from the Limited Partners or distribute funds to the Limited Partners. The General Partner monitors capital on the basis of the value of net assets attributable to the Limited Partners.

Note 13 – Subsequent Event

The Partnership made a further total investment of £4.69 million in various projects from January to March 2022.

There are no other subsequent events that would materially affect the interpretation of these financial statements.

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