

**Access – The Foundation for  
Social Investment**

Annual Report and Accounts

31 December 2019

Charity Registration Number  
1159699  
Company Registration Number  
09153909

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## Reference and administrative details of the charity, its trustees and advisers

**Trustees**  
John Kingston OBE – Chair  
Annika Small OBE  
Heather Hilburn (from 25/09/2019)  
Kate Kuper (from 25/09/2019)  
Lorraine Oldroyd (to 22/04/2020)  
Martin Rich  
Nick Hurd – Chair Elect (from 05/02/2020)  
Robert Williamson (from 25/09/2019)  
Susan Cooper

*Trustees who resigned during the period*

Arvinda Gohil OBE (to 25/09/2019)  
David Curtis (to 10/04/2019)  
Victoria Hornby (to 19/06/2019)

**Senior leadership team**

Chief Executive Officer	Seb Elsworth
Director of Programmes	Neil Berry
Director of Finance and Operations	Chris Coghlan (to 02/04/2020) Chris Welch (from 02/04/2020 - interim)
Director of Learning	Sarah Colston

**Principal office**

New Fetter Place  
8-10 New Fetter Lane  
London  
EC4A 1AZ

Telephone	020 7084 6834
Website	<a href="http://access-socialinvestment.org.uk">access-socialinvestment.org.uk</a>
E-mail	<a href="mailto:info@access-si.org.uk">info@access-si.org.uk</a>

**Charity registration number** 1159699

**Company registration number** 09153909

**Auditor**  
Buzacott LLP  
130 Wood Street  
London  
EC2V 6DL

## Reference and administrative details of the charity, its trustees and advisers

### **Investment advisors**

Rathbone Brothers Plc  
8 Finsbury Circus  
London  
EC2M 7AZ

### **Bankers**

Triodos Bank UK Limited  
Deanery Road  
Bristol  
BS1 5AS

The Charity Bank Limited  
Fosse House  
182 High Street  
Tonbridge  
TN9 1BE

HSBC UK Bank Plc  
PO Box 6201  
Coventry  
CV3 9HW

## **Trustees' report** Year to 31 December 2019

The trustees present their statutory report together with the accounts of Access – The Foundation for Social Investment for the year ended 31 December 2019.

The trustees' report has been prepared in accordance with part 8 of the Charities Act 2011 but also comprises a directors' report and a strategic report for the purpose of company legislation. The accounts have been prepared in accordance with the principal accounting policies set out therein and comply with the charitable company's memorandum and articles of association, applicable laws and 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 United Kingdom and Republic of Ireland (FRS 102).

### **Strategic report**

#### ***Introduction***

##### *We are Access – The Foundation for Social Investment*

We work to make charities and social enterprises in England more financially resilient and self-reliant, so that they can sustain or increase their impact.

We do this through supporting the development of enterprise activity to grow and diversify income, improving access to the social investment which can help stimulate that enterprise activity; and sharing the learning from how these programmes work.

Access will be around for a decade, but the need for this work will continue well beyond that. So our approach is to work through others to create partnerships which can outlive us, test and learn from new approaches, and generate knowledge which improves the work of others seeking the same goals.

We are in the second phase of our ten-year life and have an ambitious strategy in place. We have learned a great deal from our first few years, and have made a commitment to spend the majority of our endowment over this main middle phase of our life.

We have three main strands to our work:

#### **1. Capacity Building**

Funding a broad range of activities in partnership with other foundations, social investors, sector infrastructure bodies and enterprise advisors. This support aims to help charities and social enterprises to earn more of their own income through enterprising activity and specifically develop business models which can be further supported through utilising social investment. This work includes enterprise development, and investment readiness.

**Strategic report** (continued)

**Introduction** (continued)

**2. Blended Finance**

Managing and promoting blended finance models, including the Growth Fund, which bridge the gap between charities and social enterprises on one side and social investors on the other. These models help make the social investment easier to find and more relevant for charities and social enterprises, and help social investment reach parts of the sector which are yet to benefit.

**3. Listening, Learning and Sharing Knowledge**

Learning from our programmes and listening to the changing investment needs of the sector in order to influence our future work and that of others who support charities and social enterprises; and building systems which make that knowledge easier to understand and use for the long term.

In addition to these three core activities, we seek to achieve social impact in everything we do, and take a "Total Impact" approach. Most significantly, we are investing our expendable endowment and any other funds received, to achieve positive social impact with a financial return to fund our grant making, thereby increasing the total impact made by the endowment over its lifetime.

We were created in 2014 with the support of our partners the National Lottery Community Fund (previously known as the Big Lottery Fund), Big Society Capital and the Cabinet Office. In 2016, responsibility within government for the Cabinet Office grant agreement with Access moved to The Department for Culture, Media and Sport (DCMS).

When reviewing the aims and activities of the charity and the provision by the charity of public benefit, the trustees have had regard to the general guidance provided by the Charity Commission. The trustees believe that the aims of the charity set out above are demonstrably for the public benefit.

**Activities and specific objectives**

*Review of performance and achievement*

This report covers the fourth full year of our work, and shows the progress we have made towards our long term vision. In 2019 we continued to see the impact of our work, most significantly investments being made at scale in charities and social enterprises. Our Capacity Building programmes increased their activity and we expanded our Enterprise Development Programme to support enterprise development activity in the Mental Health and Equality sector as well as continuing to support the Homelessness and Youth sectors. We shared our learning via a number of publications and events and we have continued to invest as much as possible of our endowment into charities and social enterprises; with 45% invested in this way at year-end.

## 1. Capacity Building

Our Capacity Building programmes are aimed at supporting the development of enterprising activity within charities and social enterprises in England and specifically develop business models which can be further supported through utilising social investment. These programmes have provided support to help organisations make a transition to new enterprise models, or grow existing ones, with a focus helping organisations manage repayable finance. These programmes are funded by an expendable endowment from DCMS, to be spent down over ten years.

By the end of 2019:

- ◆ The Reach Fund (run by the Social Investment Business) provides development grants for charities and social enterprises seeking to raise social investment. The grants are available via a range of approved social investors who act as Access Points;
  - ◇ 30 Access Points had been appointed, who can refer charities and social enterprises into the programme
  - ◇ Since the fund launched in 2016, 508 grants have been awarded, with a total value of £6.9m, at an average of £14k per grant.
- ◆ The Enterprise Development Programme provides a broad range of support for charities and social enterprises, helping them make a transition to new enterprise models, or grow existing ones. We launched a pilot programme in September 2018 for organisations in the Youth and Homelessness sectors which concluded during the year and the programme has now been extended.
  - ◇ 123 grants enterprise grants awarded totalling £1.8m
  - ◇ 40 leaders were selected across the Homelessness and Youth sectors to take part in Enterprise Learning leadership peer-learning initiative which offered business support and expert guidance.

As well as extending the involvement of the pilot sectors until 2021, Access has expanded the programme to include the Mental Health and Equality sectors.

- ◆ The Connect Fund (run by Barrow Cadbury Trust) continued to strengthen the social investment market in England to better meet the needs of charities and social enterprises. It provides a range of grants and investments:
  - ◇ Since the fund launched, 66 grants have been awarded, with a total value of £2.5m.
  - ◇ The Connect Fund made its first social investment, a £50k convertible loan note, to support the development of software allowing social investors to better manage their portfolios.

## 2. Blended Finance

Our main Blended Finance programme, The Growth Fund, tackles the gap in the supply of small loans, of under £150,000, for charities and social enterprises. We do this by providing a blend of loan and grant capital to social investors in England allowing them to offer simple investment products for the sector.

The loan financing is provided by Big Society Capital, blended with the grant funding provided by the National Lottery Community Fund. The role of Access is to facilitate and administer this programme, rather than to hold or provide the funding directly. The Joint Investment Committee (JIC) decides who will receive finance from the Growth Fund. The committee includes representation from Access, the National Lottery Community Fund and Big Society Capital.

The Growth Fund closed to new applications from social investors at the end of 2017 and the final fund was launched in 2018, with £50m committed across 16 different funds, covering a wide range of different places and sub-sectors, seeking to support charities and social enterprises in different ways.

By the end of 2019, the funds had received a total of 2,867, enquiries from charities and social enterprises, approved 492 applications and made 434 investments worth a total of £27.3m. The median turnover of organisations who have received investment through the Growth Fund is £241k, employing a median of five full time employees.

By the end of 2019 we had drawn £12.2m from the National Lottery Community Fund and paid out £11.4m to the social investors, with the balance of £0.8m held in Access' bank account for onward submission to the social investors in early 2020.

In September 2018, Access was granted an additional £10m from dormant bank accounts to blend with circa £15m of Big Society Capital funds. This was used to create Local Access, a Place-Based Blended Finance Programme that aims to support the development of stronger, and more resilient and sustainable social economies in disadvantaged places. In March 2019 twelve places around England were invited to apply, with 6 places being chosen at the end of the year. These are:

- ◇ Bradford;
- ◇ Bristol;
- ◇ Gainsborough;
- ◇ Greater Manchester (Bolton, Oldham, Stockport and Wigan);
- ◇ Hartlepool, Redcar & Cleveland; and
- ◇ Southwark in London.

The c.£25m will be enable charities and social enterprises in these places to access loans and other investment products to help them grow enterprise activity. A further £8m from our endowment has been committed as enterprise development support for organisations at an earlier stage of growth in those places.



### 3. Listening, Learning and Sharing Knowledge

Sharing learning and knowledge is central to Access's impact and legacy.

During the course of the year we have:

- ◆ Published "The Story so Far", an animation and detailed narrative about the impact of our work to date.
- ◆ Published the first evaluation of the Reach Fund and held a learning event for stakeholders involved in the programme.
- ◆ Continued to publish our dashboards and lessons learned from our work via regular blog updates and reports on our website, including extensive details of the way subsidy has been used in the Growth Fund.
- ◆ Continued to support Good Finance (part-funded by Access) which has further developed its role as a key resource for the sector in navigating the market.

### 4. Total Impact

The trustees are committed to investing the £60M expendable endowment from DCMS to achieve total impact. This means investing to achieve the maximum social impact and, at the same time, ensuring our financial objectives and liquidity requirements are met.

By the end of 2019:

- ◆ We had published our investment policy statement for use by other organisations interest in taking a similar approach.
- ◆ Rathbones had **invested £43.5m** in funds and bonds on our behalf to fund our capacity building programmes.
- ◆ Of the Rathbones investment, 45% was in charities and social enterprises delivering social impact in the UK, 20% was in other organisations delivering social impact, and 33% was in other bonds and funds considered best in class for a range of environmental, social and governance (ESG) indicators.
- ◆ We had published an impact report in partnership with Rathbones, providing an indication of the impact of our endowment investments.
- ◆ We had regularly published a full list of investments held in charities and social enterprises, in the interests of transparency.

#### *Future objectives and planned activities*

During the period from 31 December 2019 to the date that the financial statements were approved, the coronavirus (Covid-19) outbreak had spread worldwide and caused extensive disruptions to organisations and economic activities globally including the UK. The plans which we have put in place for the year ahead are subject to change as the needs of our partner and beneficiary organisations evolve as a result of the crisis.

Our plans for the year include our programmes expanding to offer a much broader range of support to charities and social enterprises seeking to develop their enterprise activity and seeking finance to do so. Our Capacity Building Programmes are increasingly focussing on supporting the development of enterprising activity in the sector.

## **1. Capacity Building**

As part of our Enterprise Development Programme, we have committed £34m over the next five years to build the capacity of charities and social enterprises to be more enterprising. This support will be built on a foundation of growing the information and knowledge base across the sector, and in specific sub-sectors and places, about what enterprise opportunities really look like, how they grow, who the customers are, how profitable different activities can be, what the impact on the organisation might be, and crucially the financing requirements of those enterprise models.

During 2020 we will:

- ◆ Continue to deliver our suite of products providing enterprise development support to the homelessness and youth sectors, and extend that support to the equalities and mental health sectors. This support will include developing a knowledge base about the business models which are working in each sector, peer mentoring and learning opportunities, grant support at various stages of the journey and professional advice where required. This will continue to be a collaborative endeavour, working with a broad range of other foundations, sector infrastructure bodies, peer networks, social investors and advisors. Charities and social enterprises will play a key role in continuing to influence the design of the support and, as it evolves over time, in governing the programme. We will also select two further sectors to join the programme.
- ◆ Continue to support the Connect Fund with a particular focus on building on successful activity funded in the past three years, identifying and filling remaining gaps in provision, and financing the development of new support products. We anticipate the Connect Fund will commit a further £1m in grants in 2020.
- ◆ Support our delivery partner and the Access Points in delivery of the Reach Fund.

## **2. Blended Finance**

We believe that Blended Finance can bridge the gap between charities and social enterprises on one side and social investors on the other. We aim to help make social investment easier to find and more relevant for charities and social enterprises and want to help social investment reach parts of the sector which are yet to benefit.

The Growth Fund

With all Growth Fund social investors now launched, remaining amounts of uncommitted grant will be used to top-up some of the funds that need it in the future. As we are now in the portfolio management phase of the Fund, our focus will be to:

- ◆ Continue supporting the social investors delivering the Growth Fund through building an active peer community. We will encourage the sharing of best practice and learning and if possible, put in place shared solutions.
- ◆ Gather as much evidence as possible from the programme and share that learning widely, ever mindful of the burden data collection can place on the social investors and charities and social enterprises.
- ◆ Manage performance of the social investors, adding value with our analysis, scrutiny and reporting requirements
- ◆ Actively pursue new sources of funds into the market to increase the supply of blended finance available for social investment as the Growth Fund supply starts to diminish after the next 12 months.

*Place-based Blended Finance Programme (Local Access)*

The Local Access programme allows us to build on what we have learned through the Growth Fund and we will focus on providing the sort of finance that many charities and social enterprises, in particular smaller and medium sized ones, most need. Alongside this new money we have also ring-fenced £8m of our endowment, to allow capacity building and enterprise development activity to be directly aligned to the new blended finance funds, and to be spent during the remaining life of Access.

During 2020 we will work alongside colleagues from Big Society Capital in the six places selected to build robust delivery partnerships, refine plans for the provision of blended finance and enterprise development, secure final approval for those plans and support the partnerships in setting up the funds.

**3. Listening, Learning and Sharing Knowledge**

Our learning will centre on what works for charities and social enterprises when it comes to enterprise development and social investment.

During 2020 we will continue to develop our learning and advocacy function, in particular we will:

- ◆ Undertake updated programme evaluations of the Reach Fund, EDP and the first stage of Local Access, utilising our refined measures of success and further developing our approach to measuring financial resilience in the sector.
- ◆ Contribute to the major evaluation of the Growth Fund and support the production of the second report and interim learning reports during the year.
- ◆ Consolidate the learning from Access's work so far with a "five lessons from five years" event.

- ◆ Further develop our approach to gathering data on and learning about the underlying business models which are most well suited to taking on investment.

#### **4. Total Impact**

During 2020 we will continue to work closely with Rathbones to ensure that:

- ◆ We are maximising the opportunities for investing our endowment in line with our mission;
- ◆ Our portfolio is performing as expected and producing required returns;
- ◆ The social impact of our portfolio is well understood and best practice impact measurement reporting is developed and shared; and
- ◆ Our endowment management approach is shared with other foundations throughout the year via workshops and conferences.

#### **Effect of Covid-19 pandemic**

We have considered the effects of the 2020 outbreak of Covid-19 on the charity's operations and have concluded that the impact of it is likely to be limited. Following the advice issued by the UK Government in March 2020 regarding employees working from home and other social distancing measures, we have enacted procedures to facilitate this and have a detailed plan that enables effective operation to continue whilst employees are not physically present in the charity's offices.

The Trustees acknowledge and recognise the potential impact of the Covid-19 pandemic on the future operations of the charity, its beneficiaries, partners and stakeholders and on wider society. It is not anticipated at the current time that the overall financial position of the charity will be adversely affected or its financial solvency threatened.

We have been working closely with partners involved in the funding and delivery of our programmes to put in place suitable adaptations to ensure that charities and social enterprises who benefit from those programmes are supported as effectively as possible. We have also reviewed and adapted the spend profile of our expendable endowment to respond to the changing needs of the sector.

**Governance, structure and management**

**Governance**

The names of the trustees who served during the period are set out as part of the reference and administrative details on page one of this annual report and accounts, and brief biographical details on each of the current trustees are given below.

<p>John Kingston OBE, Chair</p>	<p>John was the Founder Director of CAF Venturesome, the Charities Aid Foundation's pioneering social investment fund (2001 - 2011). He chaired the Association of Charitable Foundations from 2010 to 2014, was a non-executive director of Big Society Capital until July 2015 and was a Senior Adviser at Social Finance until September 2015. Earlier in his career, he was a Director of Save the Children UK and before that worked for 3i Group PLC inter alia. He is a Trustee of HelpAge International and Chair of ReConnections Ltd, a project working to reduce loneliness in older people in Worcestershire.</p>
<p>The Right Hon Nick Hurd, Chair Elect</p>	<p>The Right Hon Nick Hurd served as a Member of Parliament in the UK for fourteen years before standing down in December 2019. During that time he served three different Prime Ministers as a Government Minister over more than 8 years. As one of the longest serving Ministers for Civil Society he led the Government work that helped establish the UK as a world leader in developing the impact Investment market. Before politics, Nick spent 18 years in business, including almost nine years in investment banking and fund management. This included the experience of setting up a business in Brazil for Flemings Investment Bank. Nick has been appointed a Global Ambassador for the Global Steering Group for Impact Investment (GSG) and serves on the Advisory Council for the UK Institute for Impact Investment.</p>
<p>Annika Small OBE</p>	<p>Annika is Co-Founder and Director of CAST, a non-profit focused on accelerating the use of technology to drive social change. Prior to CAST, Annika was founding CEO of Nominet Trust which, under her leadership, invested more than £25m in early-stage ventures that deploy technology for social innovation. Before this, Annika founded Generation Global which is now operational in more than 25 countries, using technology to bring together young people from different cultures to learn directly with, from and about each other. Previously Annika was CEO of Futurelab, which develops radically new approaches to teaching and learning using technology. Annika is a Trustee of the John Ellerman Foundation, a Trustee of the Design Council and a Non-Executive Director of Lightful . Annika brings to Access her first-hand experience of supporting early-stage social ventures to develop and grow as well as a strong track record in social innovation.</p>

<p>Arvinda Gohil OBE</p>	<p>Arvinda is the Chief Executive of Central YMCA (the first ever YMCA) and Chair of the Peel, a charity that's been building a connected community in Clerkenwell since 1898. She was a Founder Trustee on Access – The Foundation for Social Investment. She was previously Chief Executive of Community Links, a social action and advocacy charity based in East London, where she led a strategic partnership with a national charity Catch22. Arvinda has worked in the not for profit and charitable sector all of her working life. Prior to this she was Chief Executive of Emmaus UK, where she developed a federation wide strategy and introduced social investment to member organisations. She has run her own consultancy specialising in governance, leadership and equalities. Previous roles include Membership Services Director at the National Housing Federation; Assistant Director for Regulation at the Housing Corporation and Chief Executive of two Housing Associations. Arvinda has also worked in South Africa where she assisted in developing a social housing model. Arvinda is passionate about bringing equity for and with people and is a collaborative leader looking to bring about systemic change where communities and individuals have been failed by those in power and those that distribute resources. She is passionate about placed based approaches where communities are given the opportunity to create environments that work for them.</p>
<p>David Curtis</p>	<p>David is Chief Financial Officer of LivingLens, a technology business which helps unlock insights in people's stories for the world's leading market research agencies and brands. Previously, David has led the growth of scale ups, both within commercial and social enterprise settings. This includes his time as co-founder and MD of Timewise, the ground-breaking social enterprise group which helps businesses to attract and develop the best talent through flexible working. David began his career in project finance and investment banking, leaving Merrill Lynch in 2002 to join CAF Venturesome in the early stages of its growth, supporting the development of the emerging social investment market in the UK.</p>
<p>Lorraine Oldroyd</p>	<p>Whilst in full time employment Lorraine headed up the executive team at Key Fund Investments, a social enterprise specialising in the provision of patient and blended capital to small to medium sized social businesses coupled with a client centred approach to development. Lorraine consequently spent time working at national level, firstly supporting the then CDFI in its work with the Regional Development Fund and then with work launching an affordable personal finance programme being developed in partnership with private sector organisations, and intended to adopt on-line, fast, fair and flexible services, provide by social lenders. Previously to working in the Social Sector, Lorraine had a broad range of work commitments in the area of resource management in the industrial, education and HM Services sectors.</p>

**Trustees' report** Year to 31 December 2019

<p>Victoria Hornby</p>	<p>Victoria is Chief Executive of Mental Health Innovations, a new charity building a portfolio of innovative, digital mental health services. She was previously Director of Grants and Evaluation for the Royal Foundation of the Duke and Duchess of Cambridge and Prince Harry, and Senior Executive at the Sainsbury Family Charitable Trusts. Victoria has served as a member of the investment committees of Venturesome, Futurebuilders and Charity Bank. Current non-executive roles include: Director, Social Finance, Adviser to the Charles Dunstone Charitable Trust and a Trustee of Bridges Charitable Trust.</p>
<p>Martin Rich</p>	<p>Martin is the Co-founder and Executive Director of Future-Fit Foundation, a non-profit focused on creating a truly sustainable future. Before this he spent seven years as Sales Director of Social Finance Limited where he focused primarily on developing the investor base for social impact investments and also served as a member of the Asset Allocation Working Group for the G7 Social Investment Task Force. Martin previously spent over 12 years in international investment banking working on structured finance products for UBS, JPMorgan and HSBC. He has a passion for sustainable development and poverty relief and is engaged in a range of trustee, investment committee and advisory roles, including as a member of the Social Investment Business Assets and Liabilities Committee, helping to oversee the investments of the Futurebuilders and Modernisation funds.</p>
<p>Susan Cooper</p>	<p>Susan specialises in working with charities and social enterprises and is passionate about the difference these organisations can make, both in local communities and in society as a whole. Her business skills and knowledge come from a career in banking. For the past 19 years she has worked with charities and social enterprises for Triodos Bank UK and as CEO of a similar regulated finance organisation in New Zealand. Returning to the UK she set up a new social investment programme for an endowed charitable foundation. Sue is based in Bristol and works as a consultant and non-executive director.</p>
<p>Robert Williamson</p>	<p>Robert is Chief Executive of the Community Foundation Tyne &amp; Wear and Northumberland, where he drives a long-term strategy to grow endowment and increase funding to benefit communities. The Foundation awards grants of around £8m a year to local charities through funds set up by individual philanthropists, business donors and partner organisations. Robert plays a leading role in philanthropy and social investment in North East England and nationally, and has particular expertise in governance, charitable giving and voluntary sector research. Robert was for six years Director of Policy and Communications and later Acting CEO at Northern Rock Foundation. He is a member of the advisory committee for BBC Charity Appeals and sits on the Court of Newcastle University, whose steering committee he chairs. Robert is also a trustee of Northumberland-based performing arts group, November Club.</p>

Kate Kuper	Kate is an established board contributor and strategic leader with a social impact focus. This has been honed by 25 years of operational and board roles in international development, philanthropy, urban development, education and youth employment. Kate co-founded Bateleur Partners in 2018, a boutique consultancy that specialises in helping impact organisations work smarter. In her varied career, Kate worked for Bain & Company, the Nelson Mandela Government in South Africa and the World Bank Group before building a leading education foundation, the Moshal Scholarship Program. Kate is currently a London-based trustee of BRAC and the Evening Standard Dispossessed Fund. Her goal is to help social impact organisations articulate, measure and achieve meaningful results, enduring partnerships and more sustainable funding in challenging environments.
Heather Hilburn	Heather has many years' experience in the design, delivery and financing of cultural places and healthy spaces for local communities. Heather previously served as Design Advisor for the Queen Elizabeth Park in East London, including the transition of Olympic Games venues into public/private local enterprises. Following the economic crisis of 2008 and subsequent decommissioning of UK development agencies in 2010, Heather worked within a consortium of executives alongside the DCMS, DCLG and CABE to help grant funded regional charities move to social enterprise and CIC business models. As Strategic Project Director for the Tower of London from 2013 to 2019, Heather shaped a long term plan to make this World Heritage site more accessible to diverse audiences through public engagement. Heather currently serves as CEO for the Thames Estuary Partnership (TEP), hosted by University College London. Heather also serves as a non-executive director and independent advisor focussing on preserving heritage skills, data technology and project finance.

**Governance, structure and management** (continued)

The trustees are committed to ensuring that the Board has the combination of skills necessary to support the effective provision of access to capital to charities and social enterprises. In particular, the Board of Trustees includes skills and expertise in the following areas: social investment, community regeneration and social enterprise, business, and financial and risk management.

The Board has fully adopted the Charity Governance Code and ensures compliance through regular review. The Board of Trustees reviews its own performance on an annual basis, including that of the Chair, and acts on any feedback received as a result of the evaluation process.

**Key management personnel**

The key management personnel of Access comprises the trustees, the Chief Executive and senior leadership team. Remuneration is overseen by the Audit, Risk and Compliance Committee (ARCC). In order to ensure that the remuneration policy reflects the charitable sector that it serves, Access staff receive no more than an annual inflationary increase, subject to affordability and in line with relevant benchmarks and reflective of the conditions in the social sector. An exception will be made if a role has materially changed or the market rate has increased (as confirmed by external benchmarking), in which case a pay increase beyond the rate of inflation may be considered.



***Statement of trustees' responsibilities***

The trustees (who are also directors of the charity for the purposes of company law) are responsible for preparing the trustees' report and 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 charity and of the incoming resources and application of resources, including the income and expenditure of the charity 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 Statement of Recommended Practice (Accounting and Reporting by Charities) (the Charities' SORP);
- ◆ make judgements and 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 accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

**Governance, structure and management** (continued)

***Structure and management reporting***

Access is a charity and company limited by guarantee, with one legal member, the Big Society Trust. The Big Society Trust is also the majority shareholder of Big Society Capital. As the sole legal member, Big Society Trust agrees to contribute £1 in the event of the charity winding up.

During the course of the year Access entered into a new governance agreement with the Big Society Trust which provides greater clarity around the nature of the oversight provided by the Trust and the reporting which is expected from Access.

Access is governed by the Board of Trustees. The Board of Trustees meets six times a year, including an annual strategic away day. The trustees delegate the day-to-day management of Access to the Executive team.

The Audit, Risk and Compliance Committee (ARCC) is one of two formal subcommittees of the Board, comprising four trustees. The ARCC is responsible for the relationship with the auditors, ensuring the integrity of Access' accounting and financial practices, examining and reviewing all systems and methods of control including financial and risk management, all HR matters and policies and ensuring that Access complies with all aspects of the law, relevant regulation and good practice. The ARCC meets four times a year.

The Endowment Investment Committee (EIC) comprises two trustees and two external advisors. The EIC is responsible for the relationship with our investment managers (Rathbones), and its role is to monitor both the social impact and financial performance of the social investments that are being managed on Access' behalf by Rathbones from the endowment funds provided by DCMS and the treasury management of the dormant account funds. The EIC meets four times a year.

***Risk management***

To ensure that risks are managed and mitigated, a risk register is in place, which enables Access to identify and evaluate both strategic and operational risks, and the actions needed to mitigate these risks, taking into account existing and proposed controls.

The ARCC reviews the risk register on a quarterly basis.

The key performance risk, which has been identified which may impact on our ability to achieve our objectives, is that:

The social investors making loans under the Growth Fund may fall behind their deployment schedules that the terms of the deals were based on. Slow or reduced deployment of loans impacts the feasibility of the social investor's fund and may render their operations unsustainable. To mitigate this, there is an active portfolio management process in place and a framework is in development for decisions concerning any breach in the terms of investment made in the social investors. Access monitors performance quarterly including performance against targets and encourages active pipeline management.

## **Governance, structure and management** (continued)

### **Grant making policy**

Access is able to award grants in a variety of ways, namely via the Growth Fund, Capacity Building programmes or for research work as part of the Learning, Listening and Sharing Knowledge strand. In awarding grants, we apply the following principles:

- ◆ The ultimate objective of the grant should be to increase access to finance for charities and social organisations and/or to support the growth of the social investment market.
- ◆ The grant may be used by recipients to fund or support charities and social organisations directly or to enable other intermediaries to provide appropriate funding or support to such charities or social organisations.
- ◆ The applicant will need to evidence the use of grant in increasing the efficiency and effectiveness of charities and social organisations.

We do not consider applications for any activities which are outside the Access objects; any activities which are not considered charitable in accordance with the laws of England and Wales; any political or commercial appeals; and any to the benefit of the trustees or anyone related to the trustees.

Applications must be submitted in accordance with our stated programme areas and will be subject to due diligence and a multi-stage decision making process. Grant recipients will be subject to monitoring, feedback requirements and evaluation. The terms of such monitoring and evaluation will vary depending on the type of funding and the programme area funded and details will be set out in the agreement between the recipient and Access.

### **Investments**

The Capacity Building programmes, Listening, Learning and Sharing Knowledge (Market Championing) work, and a portion of Access' running costs is funded via an expendable endowment, granted by DCMS. Our mandate is to invest our expendable endowment to achieve positive social impact with a financial return to fund our grant making, thereby increasing the total impact made by the endowment over its lifetime. This is part of our "Total Impact" approach.

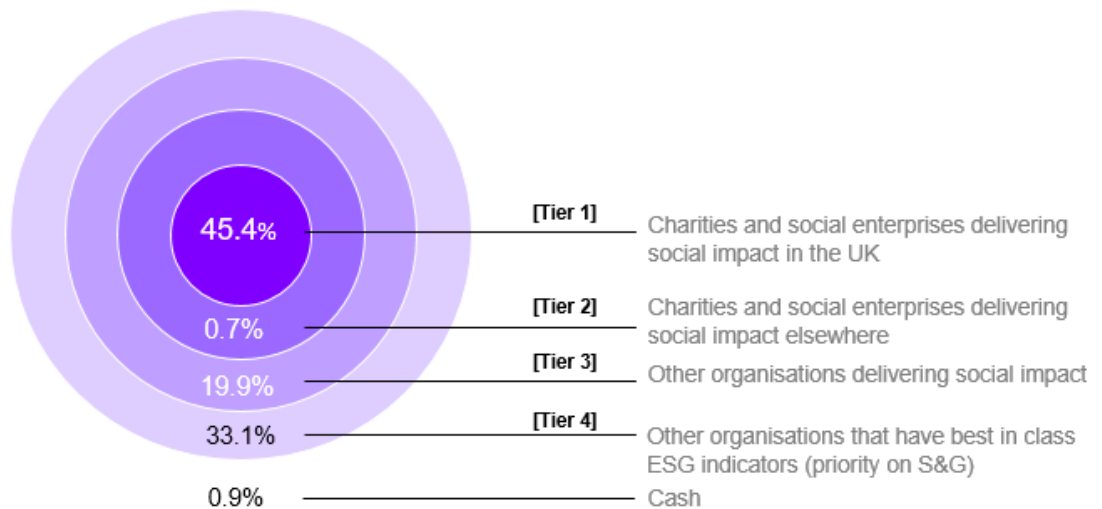
Rathbones were appointed our asset managers in early 2016 and at year end, they had £38.7m of our assets under management. Rathbones manages our endowment in accordance with our Investment Policy Statement (IPS). The IPS details the financial and social objectives of the portfolio, as well as any constraints that Rathbones needs to adhere to. It includes guidance on the permitted investments, liquidity requirements, risk management, benchmarking considerations, roles and responsibilities and reporting requirements.

In terms of the impact that the portfolio will seek to achieve, we have adopted a tiered view of the varying degrees of impact. In descending order, Access invests in:

**Investments** (continued)

1. Charities and social enterprises delivering social impact in the UK – at 31 December 2019 this was 45.4% of total investments (Tier 1 or referred to as the “bull’s eye”)
2. Charities and social enterprises delivering social impact elsewhere – at 31 December 2019 this was 0.7% of total investments (Tier 2)
3. Other organisations delivering social impact – at 31 December 2019 this was 19.9% of total investments (Tier 3)
4. Other organisations that have best in class Environmental, Social and Governance (ESG) indicators (with a priority on S&G) – at 31 December 2019 this was 33.1% of total investments (Tier 4)

This is best represented by a diagram shown below:



During the year we published our first impact report on our website (for 2018). Highlights of our 2018 impact included our investments supporting:

- The management of 80 social housing properties
- Generation of renewable energy to power 206 UK homes
- The provision of water and wastewater to 605 customers

**Investment performance**

Rathbones continued to act as our asset manager throughout 2019. At 31 December 2019, the market value of these investments stood at £38.7mn which included cash held of £0.4m. The cost of these investments amounted to £39.4mn, and there was an unrealised gain on the change in market value of £0.64mn. Income from this investment portfolio amounted to £1.52mn.

The investment portfolio achieved a Time Weighted Return (TWR) for 2019 of 5.06%. The target TWR per year is 2-3%. The trustees are satisfied with the performance of the investments, both in terms of financial return and social impact generated.

## Financial review

### *Results for the period*

The Statement of Financial Activities (SOFA) shows that Access' result for the year, before investment gains and losses, was a deficit of £3.36m (2018 – surplus for the year of £9.05m). The deficit reflects the spend-down of our endowment in accordance with our mission.

The charity's endowment will be spent over the next six years on our Capacity Building and Listening, Learning and Sharing Knowledge work with the majority being spent over the next three to four years. It will also be used to part fund the running costs of Access. The dormant account funds will fund the Place Based Blended Finance programme currently in development with Big Society Capital and expected to be spent over the next five to seven years.

During the year to 31 December 2019, £7.15m of grants were paid and are included within project costs of Capacity Building; £900k was paid for project management, and £187k on Listening, Learning and Sharing Knowledge. The project management costs relate to the functioning of robust and effective programmes and include the costs of partner organisations administering the programmes on our behalf. The proportion of our costs that are paid out as grants to charities and social enterprises will continue to increase in the years ahead.

Our office running costs are relatively low due to the fact that we are a lean organisation and work through partnerships. The average FTE increased in 2019 to 6.91 (2018 – 4.53).

Other sources of income include investment income of £1.61m (2018 - £1.74m) and income of £151k (2018 - £127k) earned as a result of the Service Level Agreement in place with the National Lottery Community Fund for running the Growth Fund.

Staff costs for the year were £463k (2018 - £332k). Costs were incurred of £123k (2018 - £133k) on raising funds, which relate to the fees paid for the management of the short term deposit accounts and fees paid to investment managers, Rathbones for the management of the investment portfolio.

***Reserves policy and financial position***

The balance sheet shows total funds of £50.18m (31 December 2018 - £52.90m).

These funds include expendable endowment funds of £35.28m (2018 - £39.45m). Whilst the income from these funds may be used for general purposes of the charity, it has been retained within the endowment fund to be used over the next six years to fund our Capacity Building programmes, and to part-fund the running costs of Access. As detailed in note 11, the market value of the charity's investment portfolio fell materially between the balance sheet and the date of approval of these accounts as a result of the Covid-19 pandemic. Whilst this has resulted in a decrease in the charity's total funds, the Trustees do not consider there to be a threat to the charity's ability to continue in operation for the foreseeable future.

Included in total funds is an amount of £10.0m (2018 - £10.0m) which is restricted. This relates to the receipt of dormant account funds to fund a Place Based Blended Finance programme in the prior year. Full details of restricted funds can be found in note 15 to the accounts together with an analysis of movements in the period.

No funds have been designated, or set aside, by the trustees for specific purposes. General funds of the charity at 31 December 2019 total £4.90m (2018 - £3.45m). These funds are represented by tangible fixed assets with a net book value of £2k and with the remainder being "free reserves".

The majority of Access' grant making programmes and running costs will be funded via an expendable endowment of £60.65m from DCMS. £55.65m of the endowment has been received to date with the remainder due over the next year. This £60.65m will in turn continue to be spent over the next six years in the delivery of Access' programmes. Given that the endowment fund is essentially an income fund rather than that of a capital nature, a traditional reserves policy is not considered necessary. Access will receive all funding ahead of when these resources will be committed and therefore the funds are considered adequate to meet the running costs of Access as well as the grant funding of our programmes.

In the year ended 31 December 2018 Access received an additional £10m of cash from UK dormant account funds, which is a restricted fund and will be used in the coming years to establish a new Place-Based Blended Finance Programme (known as Local Access).

In the latter part of Access' life, the grant commitments and running costs will be carefully managed to ensure that the remaining expendable endowment is available and sufficient to fund these commitments.

**The charity's assets**

Acquisitions and disposals of fixed assets during the period are recorded in the notes to the accounts.

**Fundraising statement**

Access does not actively solicit donations directly from the public and therefore is not registered with the Fundraising Regulator and does not subscribe to any fundraising codes of practice. Were donations from individuals or trusts and foundations to be received, Access would ensure personal data is appropriately protected.

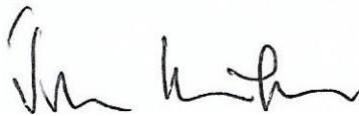
**Auditors**

Each of the trustees confirms that:

- ◆ so far as the trustee is aware, there is no relevant audit information of which the charity's auditor is unaware; and
- ◆ the trustee has taken all the steps that he ought to have taken as a trustee in order to make himself aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Approved by the trustees and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'John Kingston', written over a light blue rectangular background.

John Kingston  
Trustee

Approved by the trustees on: 22 April 2020

**Independent auditor's report to the members of Access – The Foundation for Social Investment**

**Opinion**

We have audited the financial statements of Access – The Foundation for Social Investment (the 'charitable company') for the year ended 31 December 2019 which comprise the statement of financial activities, the balance sheet, and statements of cash flows, the principal accounting policies and notes to the financial statements. 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).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 December 2019 and of its income and expenditure 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.

**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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- ◆ the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- ◆ the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.



**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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' report including the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report including the strategic 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' report including the strategic 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

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://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.



Edward Finch (Senior Statutory Auditor)  
For and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

28 April 2020

**Statement of financial activities** Year to 31 December 2019

	Notes	Unrestricted funds £ '000	Restricted funds £'000	Endowment funds £'000	<b>2019 Total funds £'000</b>	<i>2018 Total funds £'000</i>
<b>Income and endowments from:</b>						
Grants and other sources for charitable activities	1	—	151	3,900	<b>4,051</b>	14,327
Investments	2	1,609	—	—	<b>1,609</b>	1,738
<b>Total income</b>		<u>1,609</u>	<u>151</u>	<u>3,900</u>	<b><u>5,660</u></b>	<u>16,065</u>
<b>Expenditure on:</b>						
Raising funds	3	—	—	123	<b>123</b>	133
Charitable activities	4					
. Capacity Building		—	—	8,404	<b>8,404</b>	6,418
. Blended Finance		157	151	—	<b>308</b>	251
. Listening, Learning & Sharing Knowledge		—	—	187	<b>187</b>	216
<b>Total expenditure</b>		<u>157</u>	<u>151</u>	<u>8,714</u>	<b><u>9,022</u></b>	<u>7,018</u>
<b>Net income (expenditure) for the year before losses on investments</b>	6	1,452	—	(4,814)	<b>(3,362)</b>	9,047
<b>Net investment gains/(losses)</b>	11	—	—	639	<b>639</b>	(1,914)
<b>Net income and net movement in funds</b>		<u>1,452</u>	<u>—</u>	<u>(4,175)</u>	<b><u>(2,723)</u></b>	<u>7,133</u>
<b>Reconciliation of funds:</b>						
<b>Total funds brought forward</b>		3,448	10,000	39,452	<b>52,900</b>	45,767
<b>Total funds carried forward</b>		<u>4,900</u>	<u>10,000</u>	<u>35,277</u>	<b><u>50,177</u></b>	<u>52,900</u>

The statement of financial activities includes all gains and losses recognised in the period.

All of the charity's activities derived from continuing operations during the above financial period.

**Statement of financial activities** Year to 31 December 2019

	Notes	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2018 Total funds £'000
<i>Income and endowments from:</i>					
Grants and other sources for charitable activities	1	—	10,127	4,200	14,327
Investments	2	1,738	—	—	1,738
<b>Total income</b>		<b>1,738</b>	<b>10,127</b>	<b>4,200</b>	<b>16,065</b>
<i>Expenditure on:</i>					
Raising funds	3	—	—	133	133
Charitable activities	4				
. Capacity Building		—	—	6,418	6,418
. Blended Finance		124	127	—	251
. Listening, Learning & Sharing Knowledge		—	—	216	216
<b>Total expenditure</b>		<b>124</b>	<b>127</b>	<b>6,767</b>	<b>7,018</b>
<i>Net income (expenditure) for the year before losses on investments</i>	6	1,614	10,000	(2,567)	9,047
<i>Net investment losses</i>	11	—	—	(1,914)	(1,914)
<b>Net income and net movement in funds</b>		<b>1,614</b>	<b>10,000</b>	<b>(4,481)</b>	<b>7,133</b>
<i>Reconciliation of funds:</i>					
Total funds brought forward		1,834	—	43,933	45,767
<b>Total funds carried forward</b>		<b>3,448</b>	<b>10,000</b>	<b>39,452</b>	<b>52,900</b>

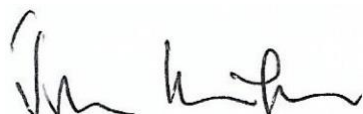
**Balance sheet** As at 31 December 2019

	Notes	2019 £'000	2019 £'000	2018 £'000	2018 £'000
<b>Fixed assets</b>					
Tangible assets	10		2		1
Investments	11		38,675		42,298
			<u>38,677</u>		<u>42,299</u>
<b>Current assets</b>					
Debtors due within one year	12	67		91	
Cash at bank and in hand		12,441		10,826	
		<u>12,508</u>		<u>10,917</u>	
<b>Creditors:</b> amounts falling due within one year	13	(1,008)		(316)	
<b>Net current assets</b>			<u>11,500</u>		<u>10,601</u>
<b>Total net assets</b>			<u>50,177</u>		<u>52,900</u>
<b>The funds of the charity:</b>					
Endowment funds	14		35,277		39,452
Restricted funds	15		10,000		10,000
Unrestricted funds					
. General fund			4,900		3,448
			<u>50,177</u>		<u>52,900</u>

Approved by the trustees  
and signed on their behalf by:

John Kingston  
Trustee

Approved on: 22 April 2020



Access – The Foundation for Social Investment: A company limited by guarantee, Company Registration No. 09153909 (England and Wales)

**Statement of cash flows** Year ended 31 December 2019

	Notes	2019 £'000	2018 £'000
Cash provided by operating activities	A	(4,254)	7,097
Cash provided by investing activities	B	5,738	2,513
Change in cash and cash equivalents in the year	C	1,484	9,610
Cash and cash equivalents at 1 January 2019		11,319	1,709
<b>Cash and cash equivalents at 31 December 2019</b>		<b>12,803</b>	<b>11,319</b>

**Notes to the statement of cash flows for the year to 31 December 2019**

**A Reconciliation of net movement in funds to net cash provided by operating activities**

	2019 £'000	2018 £'000
Net movement in funds	(2,723)	7,133
Depreciation charge	1	1
(Gains) losses on investments	(639)	1,914
Investment income	(1,609)	(1,738)
Decrease in debtors	24	105
Increase (decrease) in creditors	692	(318)
<b>Net cash provided by operating activities</b>	<b>(4,254)</b>	<b>7,097</b>

**B Gross cash flows from investing activities**

	2019 £'000	2018 £'000
<b>Investing activities</b>		
Payments to acquire tangible fixed assets	(2)	(1)
Disposal of tangible fixed assets	—	1
Investment income	1,609	1,738
Purchase of investments	(60)	(4,715)
Proceeds from disposals of investments	4,191	5,490
<b>Net cash provided by investing activities</b>	<b>5,738</b>	<b>2,513</b>

**Statement of cash flows** Year ended 31 December 2019

**C Analysis of changes in cash and cash equivalents**

	At 31 December 2018 £'000	Cash flows £'000	At 31 December 2019 £'000
Cash held by investment managers	493	(131)	362
Cash at bank and in hand	10,826	1,615	12,441
<b>Total</b>	<b>11,319</b>	<b>1,484</b>	<b>12,803</b>

	At 31 December 2017 £'000	Cash flows £'000	At 31 December 2018 £'000
Cash held by investment managers	692	(199)	493
Cash at bank and in hand	1,017	9,809	10,826
<b>Total</b>	<b>1,709</b>	<b>9,610</b>	<b>11,319</b>

## **Principal accounting policies** Year ended 31 December 2019

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

### **Basis of accounting**

These financial statements have been prepared for the year to 31 December 2019.

The financial statements have been prepared under the historical cost convention with items initially recognised at cost or transaction value unless otherwise stated in the relevant accounting policy notes.

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 FRS 102 SORP 2015'), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest thousand pounds.

### **Critical accounting estimates and areas of judgement**

Preparation of the accounts requires the trustees and management to make significant judgements and estimates.

The items in the accounts where these judgements and estimates have been made include:

- Determining the value of investment holdings, where these are unlisted.

In addition to the above, the full impact following the recent emergence of the global coronavirus pandemic is still unknown. It is therefore not currently possible to evaluate all the potential implications for the charity's activities, beneficiaries, funders, suppliers and the wider economy. Estimates used in the accounts, particularly with respect to the value of investments (see note 11) are subject to an increased degree of uncertainty and volatility.

As set out in these accounting policies under "going concern", the trustees have considered the impact of the pandemic on the charity and have concluded that although there may be some negative consequences, it is appropriate for the charity to continue to prepare its accounts on the going concern basis.

### **Going concern**

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements.



## Principal accounting policies Year ended 31 December 2019

The trustees have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. This is because they consider the cash and reserves position of Access to be sufficient to support the charity for at least 12 months from the date of signing these financial statements.

### **Income**

Income is recognised in the period in which the charity is entitled to receipt, the amount can be measured reliably and it is probable that the funds will be received.

Income is deferred only when the charity has to fulfil performance related conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

In accordance with the Charities FRS 102 SORP 2015 volunteer time is not recognised.

Grants from government for Capacity Building are expendable funds that are specifically restricted to such activity. These income funds are put on deposit and invested prior to expenditure and have been included as endowment funds. In the year ended 31 December 2018 the charity received £10m of cash from dormant account funds, which was recognised in full in that year and presented within restricted funds, on the basis that it should be used to create a specific Blended Finance Programme.

The National Lottery Community Fund Grant Budget for Growth Fund is considered a performance related grant on account of the service level agreement in place with the National Lottery Community Fund. This is included as a restricted grant on the basis that it is refundable if not applied for the purposes intended.

The Growth Fund itself is not recognised as income within the charity's financial statements as the income is not under the direct control of the charity.

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

### **Expenditure and the basis of apportioning costs**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. Direct costs are allocated to a specific activity. The classification between activities is as follows:

- a. Expenditure on raising funds includes all expenditure associated with raising funds for the charity. This includes investment management fees, staff costs associated with fundraising, and an allocation of support costs.

- b. Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include grants payable, other direct costs and support costs.
- c. Other expenditure includes all expenditure that cannot be analysed into the above two headings.

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment. Office costs and property related costs are apportioned on the basis of the headcount related to the activity. Staff related costs are allocated in the same proportion as directly attributable staff costs. Included within support costs are governance costs which comprises audit fees, legal fees, recruitment expenses and trustees' remuneration and expenses reimbursed. All expenditure is inclusive of irrecoverable VAT.

#### **Tangible fixed assets**

All assets (other than IT equipment) costing more than £1,000 and with an expected useful life exceeding one year are capitalised. IT equipment costing more than £350 and with an expected useful life exceeding one year is capitalised.

Tangible fixed assets are capitalised and depreciated at the following annual rates in order to write them off over their estimated useful lives:

- ♦ Computer and similar equipment                      33.3% per annum based on cost

#### **Fixed asset investments**

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value. The fair value of fixed asset investments quoted in an active market is determined by reference to the official exchange or clearing house settlement prices at the close of business on the balance sheet date. For fixed asset investments that do not have official exchange settlement prices, the fair value is determined by reference to third party market values on the balance sheet date, determined by independent brokers. Those holdings for which there is no active market are valued at cost less any impairment.

The charity does not acquire put options, derivatives or other complex financial instruments.

One of the main forms of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors. All gains (or losses) on investments are taken to the statement of financial activities as they arise. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value, or the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised investment gains and losses are credited (or debited) to the statement of financial activities in the year in which they arise.

**Debtors**

Debtors are recognised at the settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

**Cash at bank and in hand**

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than a month from the date of acquisition. Deposits for more than one month but less than one year have been disclosed as short term deposits. Cash placed on deposit by our investment managers Rathbones (£362k) is disclosed as a fixed asset investment.

**Creditors and provisions**

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

**Fund accounting**

Expendable endowment funds comprise monies which the trustees have the power to convert into income. Investment income therefrom is credited to unrestricted funds and applied for general purposes in line with the requirements of the donor.

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor imposed conditions.

General funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the charity's charitable objects.

**Pension costs**

The charity operates a defined contribution pension scheme. The amounts charged represent the contributions payable to the scheme in the period.

**1 Income from grants and other sources for charitable activities**

	Restricted funds £'000	Endowment funds £'000	<b>2019 Total funds £'000</b>
DCMS	—	3,900	<b>3,900</b>
The National Lottery Community Fund	151	—	<b>151</b>
<b>2019 Total funds</b>	<b>151</b>	<b>3,900</b>	<b>4,051</b>

	<i>Restricted funds £'000</i>	<i>Endowment funds £'000</i>	<i>2018 Total funds £'000</i>
DCMS	—	4,200	4,200
<i>Dormant account funds</i>	10,000	—	10,000
<i>The National Lottery Community Fund</i>	127	—	127
<b>2018 Total funds</b>	<b>10,127</b>	<b>4,200</b>	<b>14,327</b>

**2 Income from investments**

	Unrestricted funds £'000	Endowment funds £'000	<b>2019 Total funds £'000</b>
Investment income receivable	1,521	—	<b>1,521</b>
Interest receivable	88	—	<b>88</b>
<b>2019 Total funds</b>	<b>1,609</b>	<b>—</b>	<b>1,609</b>

	<i>Unrestricted funds £'000</i>	<i>Endowment funds £'000</i>	<i>2018 Total funds £'000</i>
<i>Investment income receivable</i>	1,736	—	1,736
<i>Interest receivable</i>	2	—	2
<b>2018 Total funds</b>	<b>1,738</b>	<b>—</b>	<b>1,738</b>

### 3 Expenditure on raising funds

	Endowment funds £'000	2019 Total funds £'000
Investment manager fees	123	123

	Endowment funds £'000	2018 Total funds £'000
Investment manager fees	133	133

### 4 Expenditure on charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2019 Total funds £'000
Capacity Building				
. Grants	—	—	7,151	7,151
. Project management costs	—	—	900	900
Support costs (note 5)				
.. Office costs	—	—	76	76
.. Staff costs	—	—	213	213
. Governance costs	—	—	64	64
	—	—	8,404	8,404
Blended Finance				
Support costs (note 5)				
.. Office costs	36	36	—	72
.. Staff costs	94	89	—	183
. Governance costs	27	26	—	53
	157	151	—	308
Listening, Learning and Sharing Knowledge				
. Research costs	—	—	130	130
. Support costs (note 5)				
.. Office costs	—	—	16	16
.. Staff costs	—	—	41	41
	—	—	187	187
<b>2019 Total funds</b>	<b>157</b>	<b>151</b>	<b>8,591</b>	<b>8,890</b>

**4 Expenditure on charitable activities (continued)**

	<i>Unrestricted funds £'000</i>	<i>Restricted funds £'000</i>	<i>Endowment funds £'000</i>	<i>2018 Total funds £'000</i>
Capacity Building				
. Grants	—	—	5,255	5,255
. Project management costs	—	—	887	887
Support costs (note 5)				
.. Office costs	—	—	63	63
.. Staff costs	—	—	154	154
. Governance costs	—	—	59	59
	<u>—</u>	<u>—</u>	<u>6,418</u>	<u>6,418</u>
Blended Finance				
Support costs (note 5)				
.. Office costs	30	30	—	60
.. Staff costs	72	74	—	146
. Governance costs	22	23	—	45
	<u>124</u>	<u>127</u>	<u>—</u>	<u>251</u>
Listening, Learning and Sharing Knowledge				
. Research costs	—	—	170	170
. Support costs (note 5)				
.. Office costs	—	—	14	14
.. Staff costs	—	—	32	32
	<u>—</u>	<u>—</u>	<u>216</u>	<u>216</u>
<b>2018 Total funds</b>	<u>124</u>	<u>127</u>	<u>6,634</u>	<u>6,885</u>

**Capacity Building:**

Capacity building comprises work involving the consultation, design, implementation, monitoring and evaluating of grant based programmes to build the capacity of charities and social enterprises. This support helps charities and social enterprises to earn more of their own income and specifically develop business models which can be further supported through utilising social investment. This will help organisations become robust, competitive and sustainable by assisting them to participate in the social investment market and become better equipped to be investment-ready and secure new forms of investment.

**Blended Finance:**

Access manages and promotes blended finance models, which bridge the gap between charities and social enterprises on one side and social investors on the other. Access provides support and operational services for the Growth Fund, a wholesale finance facility for social investors. The Growth Fund is operated by Access with finance from Big Society Capital and the National Lottery Community Fund. The objective is to provide access to capital that charities and social enterprises need when they are at early stages of growth or diversifying their business models by providing loans of less than £150,000. Access is represented on the Joint Investment Committee which reviews and approves applications for this funding. During the year, Access launched a second Blended Finance programme called Local Access, but no funds were disbursed during the year.

**4 Expenditure on charitable activities (continued)**

**Listening, Learning and Sharing Knowledge:**

These activities enable Access to learn from our programmes and listen to the changing investment needs of the sector in order to influence our future work and that of others who support charities and social enterprises.

**5 Support costs**

Support costs comprise governance costs and other support costs:

Charitable activities				
	Capacity Building £'000	Blended Finance £'000	Listening, Learning and Sharing Knowledge £'000	<b>2019 Total funds £'000</b>
Staff costs	213	183	41	<b>437</b>
Governance costs	57	49	11	<b>117</b>
Office costs	76	72	16	<b>164</b>
	<b>346</b>	<b>304</b>	<b>68</b>	<b>718</b>

Charitable activities				
	Capacity Building £'000	Blended Finance £'000	Listening, Learning and Sharing Knowledge £'000	<b>2018 Total funds £'000</b>
Staff costs	154	146	32	<b>332</b>
Governance costs	59	45	—	<b>104</b>
Office costs	63	60	14	<b>137</b>
	<b>276</b>	<b>251</b>	<b>46</b>	<b>573</b>

Governance costs include recruitment and legal fees. For details of trustee remuneration for their services and reimbursement of their travel costs see note 7.

<b>Support costs</b>	<b>2019 Total funds £'000</b>	2018 Total funds £'000	<b>Basis of apportionment</b>
Staff costs	<b>437</b>	332	Head count & role description
Governance costs	<b>117</b>	104	Funding agreements
Office costs	<b>164</b>	137	Head count & role description
	<b>718</b>	<b>573</b>	

## 6 Net income

This is stated after charging:

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2019 Total funds £'000
Staff costs (note 7)	102	81	254	437
Auditor's remuneration				
. Statutory audit assurance	—	10	10	20
. Other services	—	—	—	—
Depreciation	—	—	1	1

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2018 Total funds £'000
Staff costs (note 7)	72	74	186	332
Auditor's remuneration				
. Statutory audit assurance	—	9	10	19
. Other services	—	1	1	2
Depreciation	—	—	1	1

## 7 Employee and key management remuneration

### Summary

Staff costs during the period were as follows:

	2019 £'000	2018 £'000
Wages and salaries	354	237
Social security costs	40	27
Other pension costs	42	30
	436	294
Redundancy costs	—	38
	436	332



## 7 Employee and key management remuneration (continued)

### Staff numbers

The average number of employees during the period, calculated on a full time equivalent basis, analysed by function, was as follows:

	2019 Number	2018 Number
Charitable activities		
. Capacity Building	3.23	2.04
. Blended Finance	3.23	2.04
. Listening, Learning and Sharing Knowledge	0.45	0.45
	<b>6.91</b>	4.53

The average number of employees employed during the year to 31 December 2019 was 7.08 (2018 – 5.30).

### Higher paid employees

The number of employees earning more than £60,000 (including taxable benefits but excluding pension contributions) on an **annualised basis** are as follows:

	2019 Number	2018 Number
£60,001 - £70,000	—	2
£70,001 - £80,000	1	—
£80,001 - £90,000	1	1

The Chief Executive Officer received actual salary of £83.8k (2018 – £56.7k) in the financial year. This was lower in the prior year due to a period of parental leave.

### Key management personnel

Key management personnel comprise the trustees, the Chief Executive Officer and the Senior Leadership Team.

The total cost of employment of the key management personnel of the charity was £280k (2018 – £193k). One of the trustees received remuneration in respect of their services during the period for £10k (2018 – £10k). During the period out of pocket travelling expenses amounting to £5.7k (2018 – £5.5k) were reimbursed to 6 (2018 – 4) trustees.

## 8 Insurance

The charity has purchased insurance to protect the charity from any loss arising from the neglect or defaults of its trustees, employees and agents and to indemnify the trustees or other officers against the consequences of any neglect or default on their part. The insurance premium paid by the charity during the year totalled £14,933 (2018 - £13,876) and provides cover of up to a maximum of £2m for professional indemnity insurance and up to £5m for directors and officers liability.

**9 Taxation**

Access – The Foundation for Social Investment is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

**10 Tangible fixed assets**

	Plant, vehicles & IT equipment £'000	<b>Total £'000</b>
<b>Cost or valuation</b>		
At 31 December 2018	4	<b>4</b>
Additions	2	<b>2</b>
At 31 December 2019	<u>6</u>	<u><b>6</b></u>
<b>Depreciation</b>		
At 31 December 2018	3	<b>3</b>
Charge for period	1	<b>1</b>
At 31 December 2019	<u>4</u>	<u><b>4</b></u>
<b>Net book values</b>		
At 31 December 2019	2	<b>2</b>
At 31 December 2018	<u>1</u>	<u><b>1</b></u>

## 11 Investments

	<b>2019</b> <b>£'000</b>	2018 £'000
Market value of listed investments at 1 January	<b>41,284</b>	43,973
Additions at cost	<b>60</b>	4,715
Proceeds from disposals	<b>(4,191)</b>	(5,490)
Net investment gains (losses)	<b>639</b>	(1,914)
Market value of listed investments at 31 December	<b>37,792</b>	41,284
Value of unlisted investments	<b>521</b>	521
Cash held by investment managers	<b>362</b>	493
	<b>38,675</b>	42,298
Cost of investments at 31 December 2019	<b>39,432</b>	43,520

Investments held a 31 December 2019 comprised the following:

	<b>2019</b> <b>£'000</b>
UK fixed interest	<b>38,313</b>
	<i>2018</i>
<i>UK fixed interest</i>	<i>41,805</i>

At 31 December 2019 investments included the following holdings, which represented material holdings relative to the market value of the total investment portfolio held at that date:

	<b>Market value of holding £'000</b>	<b>Percentage of portfolio %</b>
Wellcome Trust Finance	<b>2,294</b>	<b>5.93</b>
London and Quadrant Housing	<b>2,000</b>	<b>5.17</b>
Dolphin Square Charitable FD	<b>2,067</b>	<b>5.34</b>
Places for People	<b>2,093</b>	<b>5.41</b>
A2D funds plc	<b>2,208</b>	<b>5.71</b>
Greensleeves Homes Trust	<b>2,895</b>	<b>7.49</b>
	<i>2018</i>	<i>2018</i>
	<i>Market value of holding £'000</i>	<i>Percentage of portfolio %</i>
<i>Wellcome Trust Finance</i>	<i>2,352</i>	<i>5.56</i>
<i>A2D funds plc</i>	<i>2,229</i>	<i>5.27</i>
<i>Greensleeves Homes Trust</i>	<i>2,819</i>	<i>6.67</i>

All investments were dealt in on a recognised stock exchange where listed.

**11 Investments (continued)**

One consequence of the Covid-19 pandemic has been that investment values, including some corporate bonds, have experienced significant volatility and falls since the balance sheet date. It is estimated that the market value of investments has reduced by £1.7m or 4.5% at the date of approving these accounts.

**12 Debtors**

<b>Due within one year</b>	<b>2019 £'000</b>	<b>2018 £'000</b>
Prepayments	12	89
Accrued income	55	2
	<b>67</b>	<b>91</b>

**13 Creditors: amounts falling due within one year**

	<b>2019 £'000</b>	<b>2018 £'000</b>
Trade creditors	132	43
Money held as agents (see below)	727	175
Accruals and deferred income	149	98
	<b>1,008</b>	<b>316</b>

The movement on money held as agents during the year ended 31 December 2019 was as follows:

	<b>2019 £'000</b>
Funds held as agents as at 1 January 2019	175
Funds received from the National Lottery Community Fund	5,064
Fund distributed to investors	(4,512)
Funds held as agents at 31 December 2019	<b>727</b>
	<b>2018 £'000</b>
<i>Funds held as agents as at 1 January 2018</i>	542
<i>Funds received from the National Lottery Community Fund</i>	3,345
<i>Fund distributed to investors</i>	(3,712)
<i>Funds held as agents at 31 December 2018</i>	<b>175</b>

Access holds money received from the National Lottery Community Fund in order to distribute it to investors. The grant income and expenditure does not belong to Access and it is therefore not included within the SOFA.

#### 14 Endowment funds

	At 31 December 2018 £'000	Income £'000	Expenditure, gains, losses and transfers £'000	At 31 December 2019 £'000
DCMS	39,452	3,900	(8,075)	35,277
	<u>39,452</u>	<u>3,900</u>	<u>(8,075)</u>	<u>35,277</u>

	At 31 December 2017 £'000	Income £'000	Expenditure, gains, losses and transfers £'000	At 31 December 2018 £'000
DCMS	43,933	4,200	(8,681)	39,452
	<u>43,933</u>	<u>4,200</u>	<u>(8,681)</u>	<u>39,452</u>

The funds were established as follows:

DCMS (formally the Cabinet Office) has donated an expendable endowment fund to Access to support its charitable activities, including Capacity Building, Listening, Learning and Sharing Knowledge and a contribution to running costs. The funds may be invested in order to achieve a financial return. This financial return can be applied in furtherance of Access' charitable objectives and as such will be recognised as unrestricted income each year.

#### 15 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances to be applied for specific purposes:

	At 31 December 2018 £'000	Income £'000	Expenditure, gains, losses and transfers £'000	At 31 December 2019 £'000
National Lottery Community Fund Grant	—	151	(151)	—
Budget for Growth Fund	10,000	—	—	10,000
Dormant accounts	10,000	—	—	10,000
	<u>10,000</u>	<u>—</u>	<u>—</u>	<u>10,000</u>

**15 Restricted funds** (continued)

	<i>At 31 December 2017 £'000</i>	<i>Income £'000</i>	<i>Expenditure, gains, losses and transfers £'000</i>	<i>At 31 December 2018 £'000</i>
<i>National Lottery Community Fund Grant Budget for Growth Fund</i>	—	127	(127)	—
<i>Dormant accounts</i>	—	10,000	—	10,000
	—	10,127	(127)	10,000

The specific purposes for which the funds are to be applied are as follows:

**National Lottery Community Fund (formerly Big Lottery Fund) Income**

This is funding for the administration and servicing of the Growth Fund. This includes the portfolio management of Growth Fund investees, provision of support and guidance to social investors including fostering a community of investees and promotion of awareness of the Programme.

**Dormant Accounts**

Access has received £10m of grant funding from dormant bank accounts, to be blended with circa £15m of Big Society Capital funds, to create a Place-Based Blended Finance Programme, known as Local Access. The income will be blended with loan capital to be used in disadvantaged places, as well as to fund the running costs of this new programme.

**16 Analysis of net assets between funds**

	General funds £'000	Restricted funds £'000	Endowment funds £'000	<b>Total 2019 £'000</b>
<b>Fund balances at 31 December 2019 are represented by:</b>				
Tangible fixed assets	2	—	—	<b>2</b>
Investments	3,398	—	35,277	<b>38,675</b>
Net current assets	1,500	10,000	—	<b>11,500</b>
<b>Total net assets</b>	<b>4,900</b>	<b>10,000</b>	<b>35,277</b>	<b>50,177</b>

	General funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2018 £'000
<i>Fund balances at 31 December 2018 are represented by:</i>				
<i>Tangible fixed assets</i>	<i>1</i>	<i>—</i>	<i>—</i>	<i>1</i>
<i>Investments</i>	<i>2,846</i>	<i>—</i>	<i>39,452</i>	<i>42,298</i>
<i>Net current assets</i>	<i>601</i>	<i>10,000</i>	<i>—</i>	<i>10,601</i>
<i>Total net assets</i>	<i>3,448</i>	<i>10,000</i>	<i>39,452</i>	<i>52,900</i>

	<b>2019 £'000</b>	2018 £'000
<b>Total unrealised gains included above:</b>		
On investments	<b>638</b>	(1,715)
<b>Total unrealised gains at 31 December 2019</b>	<b>638</b>	(1,715)
<b>Reconciliation of movements in unrealised gains</b>		
Unrealised losses at 1 January 2019	(1,715)	275
Less: in respect to disposals in the year	(6)	(58)
Less: in respect of impairments of investments in the year	—	(466)
	<b>(1,721)</b>	(249)
Add: net gains arising on revaluation in the year	<b>2,359</b>	(1,466)
<b>Total unrealised (losses) gains at 31 December 2019</b>	<b>638</b>	(1,715)

**17 Ultimate parent undertaking**

Big Society Trust is considered to be the ultimate parent undertaking of the charity.

Access – The Foundation for Social Investment is a charity and company limited by guarantee, with one legal member, the Big Society Trust. The Big Society Trust is also the majority shareholder of Big Society Capital.

In the event of the charity being wound up Big Society Trust would be required to contribute an amount not exceeding £1.

## 18 Related party transactions

Access leases office space from Big Society Capital, whose majority shareholder is the Big Society Trust. Rent is paid under an operating lease at a rate of £6,533 per month and this lease can be cancelled with one months' notice.

Other than those transactions described above and detailed in note 7, there were no other related party transactions during the period (2018 – none). There were no donations from trustees in the year (2018 – none).

## 19 Financial instruments

	2019 £'000	2018 £'000
<b>Financial assets</b>		
Financial assets measured at fair value through profit or loss	50,595	52,603
Financial assets measured at cost less impairment	521	521
	<b>51,116</b>	<b>53,124</b>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	(1,008)	(316)
	<b>(1,008)</b>	<b>(316)</b>

Financial assets measured at fair value through profit or loss comprise the majority of investments and cash at bank and in hand.

Financial assets measured at cost less impairment comprise investments which are not traded in an active market.

Financial liabilities measured at amortised cost comprise trade creditors, money held as agent and accruals.

Risks faced by financial instruments which are investments are that of volatility in fixed income markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in market sentiment within particular sectors or sub sectors.

Risks faced by financial instruments that are debt instruments and financial liabilities include counterparty risk.

## 20 Post-balance sheet events

During the period from 31 December 2019 to the date that the financial statements were approved, the coronavirus (Covid-19) outbreak had spread worldwide and caused extensive disruptions to businesses as well as economic activities globally including the UK.

The Trustees consider the implication of this on the charity's operations and on the going concern assumption in the Trustees' report (page 10).

As a result of the pandemic the value of the charity's investment portfolio has fallen materially since the balance sheet date. This is described in note 11.