

**Access – The Foundation for
Social Investment**

Annual Report and Accounts

31 December 2022

Charity Registration Number
1159699
Company Registration Number
09153909

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Reference and administrative details of the charity its trustees and advisers

Trustees	Nick Hurd – Chair Emilie Goodall Franz Ranero Heather Hilburn Kate Kuper Jane Ide Martin Rich (Senior Independent Trustee) Robert Williamson Susan Cooper Samantha Latouche (from 23 March 2022)
Senior leadership team	
Chief Executive	Seb Elsworth
Director of Programmes	Neil Berry
Director of Learning	Sarah Colston (To 23 September 2022)
Director of Partnerships and Advocacy	Chloe Stables
Director of Finance and Operations (job share)	Chris Coghlan, Simon Cottee (from 1 September 2022)
Principal office	New Fetter Place 8-10 New Fetter Lane London EC4A 1AZ
Telephone	020 7084 6834
Website	access-socialinvestment.org.uk
E-mail	info@access-si.org.uk
Charity registration number	1159699
Company registration number	09153909

Reference and administrative details of the charity its trustees and advisers

Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
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 Reliance Bank Limited, Faith House, 23 - 24 Lovat Lane, London, EC3R 8EB Unity Trust Bank PO Box 7193, Planetary Road, Willenhall WV1 9DG

The trustees present their statutory report together with the accounts of Access – The Foundation for Social Investment for the year ended 31 December 2022.

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 want to see a social investment eco-system that works for all charities and social enterprises, supporting them to meet the evolving needs of communities across the country. We work to make sure that charities and social enterprises can access the finance they need to sustain or grow their impact.

Through our programmes and our advocacy work, we are building the capacity of the social investment ecosystem to provide blended finance and boosting the resilience of charities and social enterprises through enterprise activity.

Designed to 'disrupt' the existing social investment market and widen its reach into places and communities that were previously excluded, we target those most in need of patient and flexible investment through:

- ◆ Funding blended finance and enterprise development programmes in England.
- ◆ Sharing knowledge and data and translating it into practical insight that others can use.
- ◆ Mobilising others who share our goal of making capital work for communities.

Access was created in 2015, following a realisation that sustained efforts to grow the social investment market had not resulted in meeting the needs of many charities and social enterprises.

Typically, the type of finance that is suitable for most charities and social enterprises has not been readily available either because there was too much risk, or the size of investment was too small.

Equally, support for charities and social enterprises to grow their enterprise models and access investment was patchy, under-resourced, under-developed and uncoordinated. And so, Access was created to grow the reach of social investment.

Our funding has focused on two strategic themes since our inception:

- ◆ **Demonstrating the value of blended finance** - By combining grants with repayable finance into a blended package, we enable intermediaries to provide smaller scale, higher risk, more patient and flexible, and affordable finance that meets the needs of a broad range of charities and social enterprises, particularly smaller organisations or those working in disadvantaged areas.

Strategic report (continued)

Introduction (continued)

We are Access – The Foundation for Social Investment (continued)

- ♦ **Championing enterprise development** - By supporting charities and social enterprises to develop enterprise models, we help organisations to find a more secure financial footing and build a more sustainable and resilient sector, better placed to meet the evolving needs of communities.

Our impact lies not just in the programmes we fund, but in our influence over the broader social investment ecosystem. Increasingly our focus is on sharing the learning we have generated, and mobilising action with a range of partners including social investors, foundations, and infrastructure bodies.

In our operating model, we seek to maximise opportunities to generate impact 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.

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

By October 2022, the ‘cost-of-living’ had become one of the most popular google search terms in the UK. With the impact of rising prices and surging energy costs leaving many communities – and the charities and social enterprises that support them – in crisis.

Across the voluntary sector, charities and social enterprises looked to reinvent their services and provide support where it was most needed to the communities they exist to serve. With many creating warm spaces, distributing food, and providing debt and advice services alongside their existing offer.

With rising costs and increased demands, against the background of the war in Ukraine, a continued squeeze on public sector income and a decline in household income, many organisations have struggled with their own bills and workforce challenges, throwing the importance of Access’s work and the broader social investment ecosystem into a new light and the importance of enabling charities and social enterprises to meet the evolving needs of communities across the country.

In this context, our work has continued to focus on two types of funded programmes:

Blended Finance:

A significant milestone over the last year was the commitment of a further £20m of dormant asset funds for Access to develop the Enterprise Growth for Communities programme (EGC). Enterprise Growth for Communities is designed to fill the gap which will re-emerge as the Growth Fund is fully committed, providing small-scale unsecured loans to the sector. A comprehensive design consultation process took place in the summer, and the programme launched for applications in April. To date, we have committed £19.8 million into six different funds.

Strategic report (continued)

Activities and specific objectives (continued)

Review of performance and achievement (continued)

We also made final commitments into the Flexible Finance for the Recovery programme which was originally launched in late 2020. Flexible Finance is designed to offer more patient and flexible forms of capital than that available through other programmes or the wider market, to reach a wider group of organisations unlikely to benefit from other forms of finance available. We have committed £21.1 million into 11 different funds under this programme. Seven of these funds are fully live, with £1.9m having been fully deployed to date.

By the end of 2022, the Growth Fund made over 700 investments, deploying over £48 million of loan and grant in the form of small, flexible, unsecured loans, to organisations seeking to use the funds to create more social impact. In 2022 alone, this took the form of over 100 investments, with more than £6.6 million deployed to frontline organisations. The Growth Fund is a partnership between The National Lottery Community Fund and Big Society Capital, delivered by Access through a range of social investors. It made up to £50m available to support charities and social enterprises to grow and create social impact in their communities. The Growth Fund uses a combination of grant funding, made possible thanks to National Lottery players, and loan finance from Big Society Capital and other co-investors, to address specific gaps in the social investment market.

In late 2021, Ecorys published its most recent evaluation report on the Growth Fund, examining the progress and impact of the programme up to the end of 2020. The evaluation demonstrated that the Growth Fund has succeeded in making social investment accessible to smaller organisations requiring smaller levels of finance. The report found investees had “on average, half the income and one-eighth of the assets of those who normally attract social investment” and received “much smaller-sized loans” than the wider sector.

Our “Local Access” programme also continued to evolve in six places across England (Bristol, Bradford, Gainsborough, Greater Manchester, Southwark and Redcar Cleveland and Hartlepool), where local partnerships are seeking to develop their local social economy. The programme hopes to demonstrate how a combination of enterprise support and blended social investment can help to achieve a step change in a local social economy. The programme is a partnership between Access – The Foundation for Social Investment and Big Society Capital, with approximately £33 million of funding consisting of both Access grant and BSC investment capital. Although in its early stages, the programme has the potential to deliver systemic change and we hope that the programme will deliver in time a better understanding of what works to strengthen the social economy in a place.

Enterprise Development:

The Enterprise Development Programme is an innovative programme that supports charities and social enterprises to think creatively, become more financially resilient and develop enterprise models. The programme supports charities and social enterprises looking to identify, test, implement or scale trading models, helping them to deliver their mission and become more sustainable. Taking a sector-led approach, the cost-effective programme supports small groups of organisations working in similar areas to establish new enterprise models or grow existing ones. The current cohorts cover six sectors including black and minoritised communities, the environment sector, equality, homelessness, mental health and the youth sector. In total, 278 organisations have been supported since 2018 through the six sectors, deploying a total of £6.6m in grants.

Strategic report (continued)

Activities and specific objectives (continued)

Review of performance and achievement (continued)

Work continues across our delivery partnerships to build the legacy of specific programmes and in particular to embed knowledge of enterprise models developed through the Enterprise Development Programme. Four of the six sectors have now moved into a learning and sharing phase of the programme. With the main aim of digging deeper into sector specific revenue models and sharing that learning.

The Reach Fund is a pioneering grant programme which supports charities and social enterprises to increase their resilience by taking on social investment. Between 2016 and 2022 the Reach Fund has made over 750 small grants totalling over £10m. An independent evaluation of the programme in 2021 found that for every pound spent on the Reach Fund, organisations involved were able to raise £7 in investment, with £5.2 million of grants raising £38.5 million in investments.

The fund allows a range of social investors (known as Access Points) to work with a diverse pipeline of charities and social enterprises, often small and medium-sized organisations, by supporting them to apply for grants which can then be used to obtain support around issues such as business planning, financial modelling and forecasting. The fund is designed to give the charities and social enterprises control, allowing them to either engage support providers directly and/or use the money to free up their own capacity.

In addition, The Connect Fund, our programme to strengthen the sector's infrastructure, run by the Barrow Cadbury Trust has continued to support the social investment ecosystem directly, and a number of social investment organisations have received direct grant support during the year. This included funding a project led by the Beacon Collaborative around unlocking private assets for impact investing, aimed at encouraging more high-net-worth individuals to become impact investors.

External environment and advocacy:

Our work in sharing learning and mobilising partners has focussed largely on future sources of grant subsidy. We were pleased to see the publication of the Adebowale Commission on Social Investment in early 2022 and, in particular, the call for more enterprise-centric finance. Importantly the Commission recognised the importance of sustaining and growing the field of blended finance, with the long-term supply of grant subsidy and highlighted the need for a new dedicated body to invest in black-led social enterprises.

Working with our partners across the social economy, both of these ideas have been picked up by the development of the Community Enterprise Growth Plan campaign. The campaign proposes using Dormant Assets funding to invest in community enterprise – the community-based businesses, social enterprises and trading charities taking entrepreneurial approaches to tackling social problems. This plan would use new Dormant Assets to deliver three proven interventions that reinforce each other:

1. Extending the availability of small, flexible affordable loans to smaller community enterprises through blended finance – this is using a mixture of grants and loans which has proved highly effective, particularly for enterprises in the most deprived communities.

Strategic report (continued)

Activities and specific objectives (continued)

Review of performance and achievement (continued)

2. Investing in non-profit community lenders in underserved areas to enable them to lend to the vital micro-businesses and community enterprises that struggle to access lending from mainstream banking.
3. Providing tailored business support including advice to start-ups and innovative incentives like match trading to encourage small enterprises to grow in more challenging areas.

This support would be targeted at places affected by long-term economic decline and those serving communities that have not benefited from this type of investment in the past – for example, proving start-up funding for a new social investment fund for black-led enterprises.

Access's role in 2022 has been to coordinate the Community Enterprise Growth Plan campaign and work alongside key partners to make the case for social investment continuing as a recipient cause of Dormant Assets. The campaign has support from a broad coalition including key players in the voluntary sector such as NCVO, ACEVO, ACF, CFG and NAVCA, funders such as Esmée Fairbairn, the Barrow Cadbury Trust and the Plunkett Foundation as well as business groups such as UK Finance, the British Chambers of Commerce, the Institute of Directors, and the Federation of Small Businesses.

During the consultation period that took place over the summer, the campaign coordinated responses, hosted a number of local visits with MPs and ministers and engaged in a dedicated programme of communications and public affairs activity. Much of this work was built on the publication of a review, commissioned by DCMS, to independently review the future of grant subsidy for blended finance to support the growth of charities and social enterprises.

The NPC review found an ongoing need for future public policy interventions by government to support the social investment market through the provision of grant subsidy into blended finance for VCSEs. They reflected that without subsidy, blended finance for VCSEs would not happen and outlined how the government is currently the only viable provider of subsidy for blended finance at the scale required to meet the needs of the sector. They also highlighted that blended finance is an effective mechanism for directing money towards areas of high economic deprivation.

In March 2023 the Government announced the outcome of its consultation, confirming that Social Investment Wholesalers would continue to be a cause which could receive Dormant Asset funding in England. The Government also announced a further distribution of Dormant Assets from the current scheme to Access of £23m to support the sector address challenges related to the Cost of Living crisis and support energy resilience. A process to determine further allocations from the expanded scheme is due to take place later in 2023.

Late summer also saw the launch of the Enterprise Grants Taskforce – a group of funders and foundations committed to exploring how enterprise grants can be better utilised to boost enterprise in the voluntary sector. Led by a steering group that includes the School of Social Entrepreneurs (SSE), the Association of Charitable Foundations (ACF) and Access, the task force will aim to “define the scope and course” of enterprise grants across the UK, while identifying best practice and setting up plans to scale the approach. Incoming chair Anna de Pulford, Director of the Dulverton Trust set out her aspirations for the taskforce arguing that ‘all funders should be thinking about enterprise.’

During the year, we have also been actively supporting the development of The National Lottery Community Fund's new strategy and have provided thoughts on the role they can play in enterprise grant-making.

Strategic report (continued)

Activities and specific objectives (continued)

Review of performance and achievement (continued)

Equity, diversity, and inclusion:

In March 2022 we became a signatory to the Diversity Forum Manifesto 2.0. That kicked off a process of developing a comprehensive new organisational-wide equity, diversity and inclusion policy and action which was agreed by the board in July. The policy brings together several existing strands of work as well as identifying several areas for development including Access's internal practice. In early 2023 Access undertook a comprehensive externally facilitated diversity audit covering the composition of the board, investment committee and staff team. The outcome of this will be published shortly, and we plan to use it to promote further dialogue with our stakeholders on their plans in this area.

Our work in the Equality and Black and Minoritised Communities strands of our Enterprise Development Programme (EDP) continues as planned with new cohorts of charities and social enterprises being supported, and greater insight being gathered on the underlying business models in each sector.

Partners in the Flexible Finance for the Recovery Programme continue to make progress in launching their funds and reaching communities which have not benefitted from social investment previously. This will significantly accelerate over the year ahead.

Other significant achievements during the year include:

- ◆ In late summer we also published an update on Access's progress since the publication of the independent quadrennial review, commissioned by the Oversight Trust.
- ◆ We have also worked closely with Big Society Capital and the Impact Investing Institute on a policy paper articulating the relationship between blended finance and other tools of subsidy including guarantees and tax reliefs.
- ◆ Chief Executive, Seb Elsworth, spoke at the Social Enterprise World Forum in Brisbane, locally hosted by Whitebox Enterprises. The Australian government has commissioned a taskforce to build the social investment market in Australia.

Future objectives and planned activities

The work to define Access's longer term impact on the Social Investment ecosystem informed the new strategic plan which the board adopted in the Spring of 2022. This plan focuses to a much greater extent on the role of Access in a broader ecosystem rather than simply the impact of our programmes, and the measures of success include the securing of long-term sources of subsidy for blended finance.

- ◆ Priorities for the year ahead are being significantly shaped by the outcome of the Dormant Asset consultation which was announced in March 2023. The decision has secured Access's longer term future beyond an initially planned and resourced ten year life. We will be working closely with key partners from the Community Enterprise Growth Plan coalition, and across the sector, to define proposals to inform further allocations of Dormant Assets. This will include defining priorities for future blended finance programmes ensuring the supply of flexible and affordable products, and addressing equity challenges in accessing finance. We will also explore opportunities to support charities and social enterprises in the Green Finance space and will continue to respond to the impact of inflation, cost of living challenges and rising interest rates on our work.

- ◆ As part of our new £23m Dormant Asset distribution we will work to deliver a pilot Energy Resilience Fund, in partnership with Key Fund, Big Society Capital, Power to Change and others, and seek to further scale this support across the sector. The fund aims to better support social sector organisations to navigate the increases in energy costs.
- ◆ Our current programme work will continue to evolve as we approach the end of two significant programmes by March 2024 –infrastructure support via the Connect Fund and our sub-sectoral Enterprise Development Programme. Work to reflect on and review these will be carried out alongside the ongoing delivery other active programmes – Reach Fund, Local Access, Flexible Finance and Enterprise Growth for Communities.

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. Brief biographical details on each of the current trustees can be found on our website.

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 regularly and acts on any feedback received as a result of the evaluation process. At the end of 2021, the Senior Independent Trustee, Martin Rich, undertook a series of interviews with each trustee to assess the performance of the board. The outcomes of this exercise were positive with a small number of recommendations taken forward. An independent review planned for 2022 was deferred on the advice of our external consultants for a year while we incorporated the recommendations from the internal review. This independent review will now take place in 2023.

Key management personnel

The key management personnel of Access comprise 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.

In addition to the annual cost of living pay review, in December 2022 an exceptional one-off payment was made to all staff to recognise the particularly high increase in domestic energy prices.

Statement of trustees' responsibilities

The trustees (who are also directors of the charitable company 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 charitable company and of the income and expenditure of the charity for that period.

Governance, structure and management (continued)

Statement of trustees' responsibilities (continued)

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 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);
- ◆ 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 charitable company 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 charitable company and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the trustees confirms that:

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

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

Structure and management reporting

Access is a charity and company limited by guarantee, with one legal member, the Oversight Trust. The Oversight Trust is also the majority shareholder of Big Society Capital, and the sole legal member of Fair4All Finance and the Youth Futures Foundation. As the sole legal member, the Oversight Trust agrees to contribute £1 in the event of the charity winding up.

Access is governed by the Board of Trustees. The Board of Trustees has six scheduled meetings a year, including an annual strategic away day. Other meetings are called as required. The trustees delegate the day-to-day management of Access to the Executive team.

Governance, structure and management (continued)

Structure and management reporting (continued)

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 has four scheduled meetings a year and other meetings are called as required.

The Endowment Investment Committee (EIC) comprises two trustees and two external members. 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 has four scheduled meetings a year and other meetings are called as required.

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 strategic risks which the organisation is currently managing relate to the longer-term legacy of Access and that, in order to achieve its mission, the foundation needs to ensure that it is influencing the broader social investment ecosystem so that key aspects of its work can continue. The refreshed strategy and the renewed focus on learning and advocacy work are a key mitigant. A major focus of the organisation's work in the year ahead will be securing further resources from dormant assets for blended finance now that the Government consultation has concluded that Social Investment Wholesalers remain an eligible cause.

The ARCC is also actively managing risks relating to specific programmes.

Grant making policy

Access is able to award grants in a variety of ways, namely via the blended finance programmes, 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.

Grant making policy (continued)

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 and Treasury

Endowment

The Capacity Building programmes, Listening, Learning and Sharing Knowledge (Market Championing) work, and a portion of Access' running costs are 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. An Investment Policy Statement (IPS) has been approved specifically for the endowment and the endowment's investments are managed in line with that policy.

Rathbones were appointed as the endowment's asset managers in early 2016 and at year end, they had £22.3m (2021 - £31.4m) of its assets under management. Rathbones manages our endowment in accordance with the endowment 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:

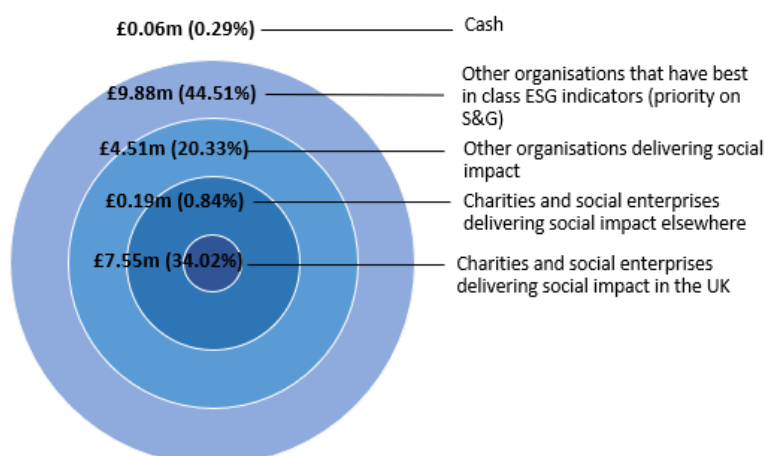
1. Charities and social enterprises delivering social impact in the UK – at 31 December 2022 this was 34.02% of total investments (Tier 1 or referred to as the "bull's eye")
2. Charities and social enterprises delivering social impact elsewhere – at 31 December 2022 this was 0.84% of total investments (Tier 2)
3. Other organisations delivering social impact – at 31 December 2022 this was 20.33% 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 2022 this was 44.51% of total investments (Tier 4)
5. Cash – 0.29%

Investments and Treasury (continued)

Endowment (continued)

This is best represented by a diagram shown below:

Portfolio mapped to the Bull's eye framework as at 31 December 2022



Impact reports are published on our website. The latest report is for the period to December 2021. Future reports will be published annually for each calendar year.

Capital Preservation Funds

A fund is managed for capital preservation when the Board is of the view that the funds should only be placed on deposit with suitable banks and that it is not appropriate to invest these funds partly or fully in a bond portfolio or other financial products.

As 31 December 2022 there were two Capital Preservation Funds:

- ◆ The Local Access Fund; and
- ◆ The Dormant Assets Fund.

An Investment Policy Statement (IPS) has been approved specifically for capital preservation funds and these funds are managed in line with that policy. The primary investment objective is to invest each Fund using a “total impact” approach, achieving both financial and social impact, in line with how Access invests its expendable endowment. The investment of these funds is managed in house.

The financial objective is to preserve the capital of each fund prior to expenditure. A financial return in line with the appropriate cash deposit rates is targeted over the period that the capital is invested and with a liquidity profile that is appropriate for the time horizon. This was met during the year. The capital is held with banks that best align with the “Bulls Eye” approach developed by Access subject to the opportunity set and consideration of risk factors.

Investment performance - Endowment

Rathbones continued to act as our asset manager throughout 2022. At 31 December 2022, the market value of these investments stood at £22.3m (2021, £31.4m) which included cash held of £0.06m (2021, £0.06m).

- £1.2m). The cost of these investments amounted to £27.6m, and there was an unrealised loss on the change in market value of £5.3m. Income from this investment portfolio amounted to £9.03m.

Investments and Treasury (continued)

Investment performance - Endowment (continued)

The investment portfolio achieved a Time Weighted Return (TWR) for 2022 of -5.68%. (2021 - 0.62%) The target TWR per year is 2-3%. With the backdrop of Covid and rising interest rates affecting the bond market, the trustees are satisfied with the performance of the investments, both in terms of financial return and social impact generated.

In relation to the management of the spend-down endowment, the Endowment Investment Committee (EIC) closely monitor risks, and work with Rathbones, the charity's asset managers, in seeking to mitigate those risks.

The main risks are credit risk and liquidity risk. The exposure to market risk is mitigated by the investment strategy which is to hold the majority of bonds to maturity, so gains or losses in the valuation of the holdings will largely remain unrealised.

To mitigate credit risk during the last year the EIC worked closely with Rathbones to monitor the health of the underlying holdings in the portfolio, including through reviewing reports directly from the bond issuers and analysing wider market information.

Liquidity risk has also been closely monitored during the course of the year through regular reforecasting of anticipated programme spend, and modelling of any future sales of bonds required to meet that spend. The EIC and board have discussed strategies for reducing illiquidity in the portfolio towards the end of the life of the endowment (from 2024 onwards) and continue to monitor the holdings to reduce liquidity risk in the longer term.

Financial review

Results for the period

The Statement of Financial Activities (SOFA) shows that Access's result for the year, before investment gains and losses, was a deficit of £6.2m (2021 - deficit for the year of £5.5m). The result reflects the spend-down of our endowment in accordance with our mission and the utilisation of restricted grants received, offset by grants received and investment income from the endowment.

Income from grants in 2022 was £2.15m (2021 - £6.17m). . As explained in the notes to the financial statements, income from Dormant Asset funding is being released on a performance basis - i.e., in the period in which it is applied. The 2021 grant income includes recognition of £6.05m of Dormant Asset income.

Other sources of income include investment income of £1.21m (2021 - £1.24m)

The charity's endowment will be spent over the next three years on our Capacity Building and Listening, Learning and Sharing Knowledge work. It will also be used to part fund the running costs of Access.

The Local Access Fund covers part of the cost of the Local Access (place-based) Blended Finance programme developed with Big Society Capital. The balance of that programme is funded by £8m of Access's endowment. The original £10m restricted fund is expected to be spent over the next three to five years. The relevant portion of support costs are being charged to the £10m fund.

Financial review (continued)

Results for the period (continued)

During the year to 31 December 2022 expenditure on charitable activities totalled £10.2m (2021 - £12.8m) made up as follows:

	2022 £m	2021 £m
Capacity Building	4.7	4.7
Blended Finance	4.2	7.6
Listening Learning and Sharing knowledge	0.6	0.5
	9.5	12.8

In addition to grants, these costs include project management costs which relate to the functioning of robust and effective programmes and include the costs of partner organisations administering the programmes on our behalf.

Our office running costs are relatively low due to the fact that we are a lean organisation and work through partnerships. The average FTE remained flat in 2022 at 8.3 (2021 - 8.3).

Staff costs for the year were £634k (2021 - £569k).

Costs were incurred of £79k (2021 - £99k) 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 £35.7m (31 December 2021 - £44.5m).

These funds include expendable endowment funds of £18.25m (2021 - £27.54m). Whilst the income from these funds may be used for general purposes of the charity and is held as unrestricted reserves, the Trustees' current plan is to use that income over the next three 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 is now £22.6m (2021 - £31.4m), with the fall in value being split between unrealised losses on mark-to-market valuations of the investments, and amounts drawn down during the year for programmes.

Included in total funds is an amount of £8.9m (2021 - £9.6m) which is restricted. This consists of two funds:

- ◆ The Local Access Fund: Created from the receipt in 2018 of £10m of Dormant Asset funds for a Place Based Blended Finance programme (known as Local Access).
- ◆ The Dormant Assets Fund: Created from receipt of an initial £21m tranche of the £30m Dormant Assets provided to Access in 2020 funding to grow our blended finance work. (As at 31 December 2022 £10.1m of the £21m is treated as deferred income).

Financial review (continued)

Reserves policy and financial position (continued)

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 2022 total £8.5m (2021 - £7.4m). These funds are represented by tangible fixed assets with a net book value of £9k and with the remainder being "free reserves".

The core of Access' grant making programmes and running costs are funded via an expendable endowment of £60.65m from DCMS. The endowment will in turn continue to be spent over the next three 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 latter part of the Endowment's 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.

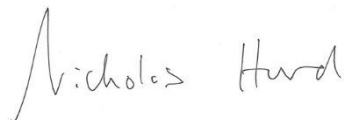
Auditors

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 that reads "Nicholas Hurd". The signature is written in a cursive style, with the first name "Nicholas" and the surname "Hurd" clearly legible.

N. Hurd

Trustee

Approved by the trustees on: 19 April 2023

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 2022 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 2022 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

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

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

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

Other information

The 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; and
- ◆ we have not received all the information and explanations we require for our audit.

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.

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 obtained an understanding of the legal and regulatory frameworks applicable to the charity and the sector in which it operates. We determined that the following laws and regulations were most significant: 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), the Companies Act 2006 and the Charities Act 2011.
- ◆ We understood how the charity is complying with those legal and regulatory frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of Board minutes and papers provided to the Audit, Risk and Compliance Committee.
- ◆ We assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
 - ◇ Identifying and assessing the design effectiveness of controls in place to prevent and detect fraud;
 - ◇ Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
 - ◇ Challenging assumptions and judgements made by management in its significant accounting estimates;

Auditor's responsibilities for the audit of the financial statements (continued)

- ◇ Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations; and
- ◇ Assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the relevant financial statement item to which they relate.

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. 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.



30 June 2023

Edward Finch (Senior Statutory Auditor)

For and on behalf of

Buzzacott LLP,

Statutory Auditor

130 Wood Street

London

EC2V 6DL

Statement of financial activities Year to 31 December 2022

	Notes	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2022 Total funds £'000	2021 Total funds £'000
Income and endowments from:						
Grants and other sources for charitable activities	1	—	2,156	—	2,156	6,167
Investments	2	1,209	—	—	1,209	1,243
Total income		1,209	2,156	—	3,365	7,410
Expenditure on:						
Raising funds	3	—	—	79	79	99
Charitable activities	4					
. Capacity Building		(7)	—	4,784	4,777	4,663
. Blended Finance		121	2,830	1,205	4,156	7,570
. Listening, Learning & Sharing Knowledge		—	—	560	560	535
Total expenditure		114	2,830	6,628	9,572	12,867
Net income (expenditure) for the year before losses on investments	6	1,095	(674)	(6,628)	(6,207)	(5,457)
Net investment (losses) gains	11	—	—	(2,667)	(2,667)	(901)
Net income and net movement in funds		1,095	(674)	(9,295)	(8,874)	(6,358)
Reconciliation of funds:						
Total funds brought forward		7,390	9,596	27,542	44,528	50,886
Total funds carried forward		8,485	8,922	18,247	35,654	44,528

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.

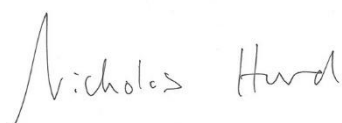
Prior year statement of financial activities Year to 31 December 2021

	Notes	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2021 Total funds £'000
<i>Income and endowments from:</i>					
Grants and other sources for charitable activities	1	—	6,167	—	6,167
Investments	2	1,237	6	—	1,243
Total income		1,237	6,173	—	7,410
<i>Expenditure on:</i>					
Raising funds	3	—	—	99	99
Charitable activities	4				
. Capacity Building		—	—	4,663	4,663
. Blended Finance		254	6,523	793	7,570
. Listening, Learning & Sharing Knowledge		—	—	535	535
Total expenditure		254	6,523	6,090	12,867
<i>Net income (expenditure) for the year before losses on investments</i>	6	983	(350)	(6,090)	(5,457)
<i>Net investment (losses) gains</i>	11	—	—	(901)	(901)
Net income and net movement in funds		983	(350)	(6,991)	(6,358)
<i>Reconciliation of funds:</i>					
Total funds brought forward		6,407	9,946	34,533	50,886
Total funds carried forward		7,390	9,596	27,542	44,528

Balance sheet as at 31 December 2022

	Notes	2022 £'000	2022 £'000	2021 £'000	2021 £'000
Fixed assets					
Tangible assets	10		9		17
Investments	11		22,579		31,402
			22,588		31,419
Current assets					
Debtors due within one year	12	164		173	
Cash at bank and in hand		23,860		27,893	
		24,023		28,066	
Creditors: amounts falling due within one year	13	(10,958)		(14,957)	
Net current assets			13,065		13,109
Total net assets			35,654		44,528
The funds of the charity:					
Endowment funds	14		18,247		27,542
Restricted funds	15		8,922		9,596
Unrestricted funds					
. General fund			8,476		7,373
. Tangible fixed assets fund			9		17
			35,654		44,528

Approved by the trustees and signed on their behalf by:



N. Hurd
Trustee

Approved by the trustees on: 19 April 2023

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 2022

	Notes	2022 £'000	2021 £'000
Cash (used in) provided by operating activities	A	(11,495)	(11,926)
Cash provided by investing activities	B	6,604	5,785
Change in cash and cash equivalents in the year	C	(4,891)	(6,141)
Cash and cash equivalents at 1 January 2022		29,134	35,275
Cash and cash equivalents at 31 December 2022		24,243	29,134

Notes to the statement of cash flows for the year to 31 December 2022

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

	2022 £'000	2021 £'000
Net movement in funds	(8,874)	(6,358)
Depreciation charge	7	2
(Gains) losses on investments	2,570	844
Investment income	(1,209)	(1,243)
Decrease (increase) in debtors	9	100
Increase in creditors	(3,998)	(5,271)
Net cash provided by operating activities	(11,495)	(11,926)

B Gross cash flows from investing activities

	2022 £'000	2021 £'000
Investing activities		
Payments to acquire tangible fixed assets	—	(17)
Investment income	1,209	1,243
Purchase of investments	(300)	(2,608)
Proceeds from disposals of investments	5,395	7,167
Net cash provided by investing activities	6,304	5,785

Statement of cash flows Year ended 31 December 2022

C Analysis of changes in cash and cash equivalents

	At 31 December 2021 £'000	Cash Flows £'000	At 31 December 2022 £'000
Cash held by investment managers	1,241	(1,158)	83
Cash at bank and in hand	27,893	(4,033)	23,860
Total	29,134	(5,191)	23,943

	At 31 December 2020 £'000	Cash Flows £'000	At 31 December 2021 £'000
Cash held by investment managers	4,483	(3,242)	1,241
Cash at bank and in hand	30,792	(2,899)	27,893
Total	35,275	(6,141)	29,134

Principal accounting policies Year ended 31 December 2022

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 2022.

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 2019'), 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.

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 of a period of one year from the date of approval of these financial statements.

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.

Principal accounting policies Year ended 31 December 2022

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.

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.

In the year ended 31 December 2020 the charity became entitled to £30m of Dormant Asset funding distributed by the National Lottery Community Fund (NLCF). A further £20m was made available to Access in the year ending 31 December 2022. In line with the underlying grant agreement, amounts are drawn down by the charity periodically based on requests to the NLCF to support cash requirements for the subsequent period. As the funding is provided to support future activity it is initially recognised as deferred income in the balance sheet and taken to the statement of financial activities in the period in which it is applied. The income is conditional on it being used to fund expenditure furthering the social purposes or for the purpose of helping charities and social enterprises respond and recover from the Covid-19 outbreak. Income and expenditure are therefore shown in the restricted fund.

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.

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

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.

Principal accounting policies Year ended 31 December 2022

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 |
|----------------------------------|-------------------------------|

Principal accounting policies Year ended 31 December 2022

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.

The main risks are credit risk and liquidity risk. The exposure to market risk is mitigated by the investment strategy which is to hold the majority of bonds to maturity, so gains or losses in the valuation of the holdings will largely remain unrealised. 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 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.

Principal accounting policies Year ended 31 December 2022

Fund accounting (continued)

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	2022 Total funds £'000
The National Lottery Community Fund	110	—	110
Dormant Assets	2,046	—	2,046
2022 Total funds	2,156	—	2,156

	Restricted funds £'000	Endowment funds £'000	2021 Total funds £'000
<i>The National Lottery Community Fund</i>	116	—	116
<i>Dormant Assets</i>	6,051	—	6,051
2021 Total funds	6,167	—	6,167

2 Income from investments

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2022 Total funds £'000
Investment income receivable	1,054	—	—	1,054
Interest receivable	155	—	—	155
2022 Total funds	1,209	—	—	1,209

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2021 Total funds £'000
<i>Investment income receivable</i>	1,200	—	—	1,200
<i>Interest receivable</i>	37	6	—	43
2021 Total funds	1,237	6	—	1,243

3 Expenditure on raising funds

	Endowment funds £'000	2022 Total funds £'000
Deposit bank account management	1	1
Investment manager fees	78	78
2022 Total funds	79	79
	Endowment funds £'000	2021 Total funds £'000
<i>Investment manager fees</i>	<i>99</i>	<i>99</i>

4 Expenditure on charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2022 Total funds £'000
Capacity Building				
. Grants	(7)	—	2,989	2,982
. Project management costs	—	—	1,600	1,600
. Support costs (note 5)				
.. Office costs	—	—	53	53
.. Staff costs	—	—	133	133
. Governance costs	—	—	9	9
	(7)	—	4,784	4,777
Blended Finance				
Grants	—	2,291	1,202	3,493
Project management costs	—	147	3	150
. Support costs (note 5)				
.. Office costs	33	106	—	139
.. Staff costs	82	267	—	349
. Governance costs	6	19	—	25
	121	2,830	1,205	4,156
Listening, Learning and Sharing Knowledge				
. Research costs	—	—	336	336
. Support costs (note 5)				
.. Office costs	—	—	61	61
.. Staff costs	—	—	152	152
Governance costs	—	—	11	11
	—	—	560	560
2022 Total funds	114	2,830	6,549	9,493

4 Expenditure on charitable activities (continued)

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2021 Total funds £'000
<i>Capacity Building</i>				
. Grants	—	—	3,199	3,199
. Project management costs	—	—	1,264	1,264
Support costs (note 5)				
.. Office costs	—	—	36	36
.. Staff costs	—	—	148	148
. Governance costs	—	—	16	16
	—	—	4,663	4,663
<i>Blended Finance</i>				
Grants	—	5,038	641	5,679
Project management costs	—	1,362	152	1,514
Support costs (note 5)				
.. Office costs	46	22	—	68
.. Staff costs	188	91	—	279
. Governance costs	20	10	—	30
	254	6,523	793	7,570
<i>Listening, Learning and Sharing Knowledge</i>				
. Research costs	—	—	343	343
. Support costs (note 5)				
.. Office costs	—	—	35	35
.. Staff costs	—	—	142	142
Governance costs	—	—	15	15
	—	—	535	535
2021 Total funds	254	6,523	5,991	12,768

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 helping 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. These include:

- ♦ The Growth Fund - a wholesale finance facility for social investors. It is operated by Access which provides support and operational services, 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.

4 Expenditure on charitable activities (continued)

- ◆ Local Access: The Local Access programme uses £10m from Dormant Assets received by Access in 2018 to blend with circa £15m of Big Society Capital funds. Access has also committed a further £8m from its endowment. At the start of 2020 partnerships six places were chosen to use these funds to create place based blended finance and enterprise development programmes to help grow their local social economies. During 2021 the first operational grants were issued. This was made available to Access under a different grant agreement from the general Dormant Asset funds and therefore is treated as a separate restricted fund.
- ◆ Dormant Asset Funds: Access has received two further allocations of Dormant Asset Funding in 2020 and 2022 totalling £50m. These funds are being used to enable social investors to offer a wider range of more patient and flexible blended finance products as well as to continue providing small scale unsecured loans. These funds also supported the provision of emergency support to the sector during the COVID pandemic.

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			2022 Total funds £'000
	Capacity Building £'000	Blended Finance £'000	Listening, Learning and Sharing Knowledge £'000	
Staff costs	134	348	152	634
Governance costs	6	19	20	45
Office costs	33	106	114	253
	173	473	286	932

	Charitable activities			2021 Total funds £'000
	Capacity Building £'000	Blended Finance £'000	Listening, Learning and Sharing Knowledge £'000	
Staff costs	148	278	142	568
Governance costs	36	68	35	139
Office costs	16	30	16	62
	200	376	193	769

5 Support costs (continued)

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

Support costs	2022 Total funds £'000	2021 Total funds £'000	Basis of apportionment
Staff costs	634	569	Estimated time spent on each of the charity's core activities
Governance costs	45	61	
Office costs	253	139	
	932	769	

6 Net income

This is stated after charging:

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2022 Total funds £'000
Staff costs (note 7)	82	267	285	634
Auditor's remuneration				
. Statutory audit assurance	20	—	—	20
Depreciation	5	—	—	5

	<i>Unrestricted funds £'000</i>	<i>Restricted funds £'000</i>	<i>Endowment funds £'000</i>	<i>2021 Total funds £'000</i>
Staff costs (note 7)	188	91	290	569
Auditor's remuneration				
. Statutory audit assurance	20	—	—	20
Depreciation	2	—	—	2

7 Employee and key management remuneration

Summary

Staff costs during the period were as follows:

	2022 £'000	2021 £'000
Wages and salaries	511	461
Social security costs	62	54
Other pension costs	62	54
	635	569

Staff numbers

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

	2022 Number	2021 Number
Charitable activities		
. Capacity Building	1.8	1.0
. Blended Finance	4.6	5.5
. Listening, Learning and Sharing Knowledge	1.9	1.8
	8.3	8.3

The average number of employees employed during the year to 31 December 2022 was 8.3 (2021 - 8.3).

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:

	2022 Number	2021 Number
£60,001 - £70,000	—	1
£70,001 - £80,000	1	1
£90,001 - £100,000	—	1
£100,001 - £110,000	1	—

The Chief Executive received actual salary of £102k (2021 - £92k) in the financial year. During the prior year the Chief Executive had a period of unpaid leave.

7 Employee and key management remuneration (continued)

Key management personnel

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

The total cost of employment of the key management personnel of the charity was £373,501 (2021 - £374,885). One trustee received remuneration in respect of their services during the period totalling £6k (2021 - £6k). During the period out of pocket travelling expenses amounting to £631 (2021 - £180) were reimbursed to four (2021 - one) 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 £40,797 (2021 - £16,645) and provides cover of up to a maximum of £2m for professional indemnity insurance and upto £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	Total £'000
Cost or valuation		
At 31 January 2022	23	23
Additions	—	—
At 31 December 2022	23	23
Depreciation		
At 31 December 2021	7	7
Charge for period	7	7
At 31 December 2022	14	14
Net book values		
At 31 December 2022	9	9
At 31 December 2021	16	16

11 Investments

	2022 £'000	2021 £'000
Market value of listed investments at 1 January	29,640	35,043
Additions at cost	—	2,608
Proceeds from disposals	(5,395)	(7,110)
Net investment gains (losses)	(2,667)	(901)
Market value of listed investments at 31 December	21,675	29,640
Value of unlisted investments	821	521
Cash held by investment managers	83	1,241
	22,579	31,402
Cost of investments at 31 December 2022	25,823	32,384

Investments held a 31 December 2022 comprised the following:

	2022 £'000
UK fixed interest	21,758
UK equity	821
	22,579
	2021 £'000
UK fixed interest	30,881
UK equity	521
	31,402

At 31 December 2022 investments included the following holdings, which represented material holdings relative to the market value of the total investment portfolio held at that date:

	Market value of holding £'000	Percentage of portfolio %
Royal London Ethical Bond Fund	1,195	5.38%
London & Quadrant Housing	1,764	7.95%
Hightown Praetorian	1,173	5.28%
Blue Orchid Investment Mgrs	1,174	5.29%
Places for People (5.09% Sec Bonds)	1,624	7.32%
Places for People (4.25% bonds)	1,994	8.98%
Severn Trent Utilitie Finance	1,297	5.84%
Aegon Ethical Corporate Bond F	1,295	5.84%
Edentree Investment Management	1,261	5.68%

11 Investments (continued)

	Market value of holding £'000	Percentage of portfolio %
<i>London & Quadrant Housing</i>	2,005	6.65
<i>A2D Funds Plc (4.75% bonds)</i>	2,114	7.01
<i>Places for People (4.25% bonds)</i>	2,071	6.87
<i>Aegon Ethical Corporate Bond F</i>	1,622	5.38
<i>Edentree Investment Management</i>	1,514	5.02

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

12 Debtors

	2022 £'000	2021 £'000
Due within one year		
Prepayments	164	173
	164	173

13 Creditors: amounts falling due within one year

	2022 £'000	2021 £'000
Trade creditors	415	2,079
Money held as agents (see below)	88	685
Taxation and social security	6	16
Accruals	381	63
Deferred income	10,068	12,114
	10,958	14,957

The movement on money held as agents during the year ended 31 December 2022 was as follows:

	2022 £'000
Funds held as agents as at 1 January 2022	685
Funds received from the National Lottery Community Fund	1,272
Fund distributed to investors	(2,045)
Funds held as agents at 31 December 2022	88

13 Creditors: amounts falling due within one year (continued)

	2021 £'000
<i>Funds held as agents as at 1 January 2021</i>	1,406
<i>Funds received from the National Lottery Community Fund</i>	2,519
<i>Fund distributed to investors</i>	(3,240)
<i>Funds held as agents at 31 December 2021</i>	<u>685</u>

Access holds money received from the National Lottery Community Fund in order to distribute it to social investors who are delivering the Growth Fund. 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 2021 £'000	Income £'000	Expenditure, gains, losses and transfers £'000	At 31 December 2022 £'000
DCMS	27,542	—	(9,295)	18,247
	<u>27,542</u>	<u>—</u>	<u>(9,295)</u>	<u>18,247</u>

	At 31 December 2020 £'000	Income £'000	Expenditure, gains, losses and transfers £'000	At 31 December 2021 £'000
DCMS	34,533	—	(6,991)	27,542
	<u>34,533</u>	<u>—</u>	<u>(6,991)</u>	<u>27,542</u>

The funds were established as follows:

DCMS 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 2021 £'000	Income £'000	Expenditure, gains, losses and transfers £'000	At 31 December 2022 £'000
Local Access	9,596	—	(674)	8,922
The National Lottery Community Fund	—	110	(110)	—
Investments	—	—	—	—
Dormant Assets	—	2,046	(2,046)	—
	9,596	2,156	(2,830)	8,922

	At 31 December 2020 £'000	Income £'000	Expenditure, gains, losses and transfers £'000	At 31 December 2021 £'000
Local Access	9,946	—	(350)	9,596
The National Lottery Community Fund	—	116	(116)	—
Investments	—	6	(6)	—
Dormant Assets	—	6,051	(6,051)	—
	9,946	6,173	(6,523)	9,596

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

National Lottery Community 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.

16 Analysis of net assets between funds

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2022 £'000
Fund balances at 31 December 2022 are represented by:				
Tangible fixed assets	9	—	—	9
Investments	4,332	—	18,247	22,579
Net current assets	4,134	8,922	—	13,065
Total net assets	8,485	8,922	18,247	35,654

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2021 £'000
<i>Fund balances at 31 December 2021 are represented by:</i>				
<i>Tangible fixed assets</i>	17	—	—	17
<i>Investments</i>	3,860	—	27,542	31,402
<i>Net current assets</i>	3,513	9,596	—	13,109
<i>Total net assets</i>	<i>7,390</i>	<i>9,596</i>	<i>27,542</i>	<i>44,528</i>

	2022 £'000	2021 £'000
Total unrealised gains included above:		
On investments	(2,570)	(844)
Total unrealised gains at 31 December 2022	(2,570)	(844)
Reconciliation of movements in unrealised gains		
Unrealised losses at 1 January 2022	(844)	20
Less: in respect to disposals in the year	—	—
	(844)	20
Add: net gains arising on revaluation in the year	(1,726)	(864)
Total unrealised (losses) gains at 31 December 2022	(2,570)	(844)

17 Ultimate parent undertaking

The Oversight Trust, a company incorporated in the UK with registration no. 07611016, is considered to be the ultimate parent undertaking of the charity. Its accounts are available from Companies House.

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

In the event of the charity being wound up The Oversight 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 Overnight Trust. Rent is paid under an operating lease at a rate of £6,533 per month and this lease can be cancelled with one month's notice.

Other than those transactions described above and detailed in note 7, there were no other related party transactions during the period (2021 - none). There were no donations from trustees in the year (2021 - none).

19 Financial instruments

	2022 £'000	2021 £'000
Financial assets		
Financial assets measured at fair value through profit or loss	45,617	58,774
Financial assets measured at cost less impairment	821	521
	46,438	59,295
Financial liabilities		
Financial liabilities measured at amortised cost	(884)	(2,827)
	(884)	(2,827)

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

In March 2023 Government announced that a further £23m of Dormant Assets would flow to Access to support the work of Charities and Social Enterprises delivering services to communities impacted by the Cost of Living Crisis, and support energy resilience in the sector.

Government also announced that Social Investment Wholesalers would continue to be an eligible cause for Dormant Assets under the newly expanded scheme. As a result of this positive news the Trustees have determined that Access will not seek to close when the Endowment Fund is expended as originally planned but will seek to continue its work funded by further allocations of Dormant Asset funding.