Registered number
07611016

The Oversight Trust –
Assets for the Common Good
Annual Report and Financial Statements
31 December 2024

The Oversight Trust- Assets for the Common Good
Report and Financial Statements
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Company Information

Directors

• Sir Stuart Etherington[1,2]	(Chair)
• Robert Bell[1]	
• Philip Chamberlain	(National Lottery Community Fund appointee / Appointed 17 March 2025)
• Meera Craston	(Appointed 26 July 2024)
• Kevin Davis DL[3]	
• Helen England	
• Joanna Fox[1]	(Government appointee)
• Vaughan Lindsay	(Appointed 21 May 2025)
• David Lindsell[2]	
• Nicola Pollock[2,3]	(Senior Independent Director)
• Andrew Rose	
• Victoria Thornton[3]	

(1) Member of the Nominations and Remuneration Committee
(2) Member of the Core Governance Review Team
(3) Member of the Quadrennial Review Team

Company Secretary

Alastair Ballantyne (Chief Executive Officer)

Independent auditors

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Oversight Trust Operations

This Annual Report presents the consolidated financial statements of The Oversight Trust group. The Oversight Trust group comprises the holding company, The Oversight Trust – Assets for the Common Good (the Trust), and its subsidiaries Better Society Capital Limited (BSC), formerly Big Society Capital Limited; Access – the Foundation for Social Investment (Access); Fair4All Finance (Fair4All); and Youth Futures Foundation Limited (Youth Futures). The four subsidiaries are described in this Annual Report as "the Operating Companies" or "OpCos".
The Trust is a company limited by guarantee.

Dormant Assets Scheme

The Dormant Assets Act received Royal Assent on 24 February 2022. The Act builds on the success of the Dormant Bank and Building Society Accounts Act 2008 by bringing additional classes of asset held by financial institutions within the scope of the Scheme, including assets from the insurance and pensions, investment and wealth management and the securities sectors.

In November 2024, the Department for Culture, Media and Sport (DCMS) announced that future allocations of Dormant Assets for England (estimated to be £350m for period to 2028) would be split equally between the four causes outlined in the Dormant Assets Acts 2008-2022, those causes being: youth; financial inclusion; social investment wholesalers; and community wealth funds. In June 2025 DCMS announced that the estimate of Dormant Assets for England had increased to £440m and set out how the funds would be allocated to each of the four causes.

DCMS is currently considering the governance of the Dormant Assets Scheme. A report was commissioned by DCMS in December 2023 to inform its internal review of the governance of the Scheme in England. In summer 2024, the Trust also commissioned its own independent review of its processes, which involved seeking feedback from its stakeholders, including the Operating Companies, about how the current system of oversight can be improved in the future.

Depending on the final view taken by DCMS, this may have a significant effect on the operations of the Trust and the resources it will require to fulfil its role. The Trust is playing an active and supportive part in the review process and was encouraged by the initial conclusions that have been reached, namely that DCMS will proceed with some initial steps to provide greater clarity on the roles and responsibilities of the key stakeholders in the Scheme and processes involved in distributing the funding in England.

The Trust will need to review the detail of this programme of work as it is developed over time and work collaboratively with all stakeholders to implement required changes.

Activities

In addition to the regular meetings of the Board, involving quarterly reviews of the Operating Companies, the annual "deep dive" into each of the Operating Companies with the representatives of the Board and management of the company concerned, the annual Governance Review of each Operating Company, and in 2024 its Quadrennial Review of BSC (see below), the Trust has been engaged in a number of strategic projects over the course of the year related to governance issues.

The Board visited Manchester in 2024 and Newcastle upon Tyne early in 2025 to help better understand front line issues in relation to social investment, youth unemployment and affordable credit and the challenges being faced in the region. As in previous years, the Away Days were both illuminating and rewarding with a mix of speakers from local strategic organisations providing wider context and organisations supported by the Operating Companies. The interactive sessions underline the commitment and determination of local organisations to address the social issues they are engaged with.

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Chair’s Statement (continued)
Better Society Capital Quadrennial Review

Quadrennial Reviews are designed to assess the effectiveness of an Operating Company in achieving its objectives in delivering the programmes of work for which it is funded.

Following the Quadrennial Reviews of each of the Operating Companies in turn between 2020 and 2023 the second Review of BSC was undertaken in 2024 and the report published in January 2025.

Observations detailed in the Review’s conclusions are reflected in response letters from BSC and the Trust that are published on the Trust’s website. It is helpful that BSC is currently engaged in developing its five-year strategy (2026-2030) which will be informed by the output from the Quadrennial Review. The Trust will engage in monitoring follow-up actions to the issues raised in the report.

We are very grateful to the Quadrennial Review panel for their work which forms a key and valuable component of the oversight provided by the Trust. We are also appreciative of the positive engagement in the process of BSC and its stakeholders who contributed evidence.

Board

In 2024 we welcomed Meera Craston who joined the Board in July 2024. She brings with her specific expertise in impact evaluation which is particularly helpful to the Board’s deliberations.

I would like to thank Stephen Howard, who stepped down from the Board in July 2024, for his commitment to the Board and as Chair of the Nominations and Remuneration Committee. He had served on the Board since 2016 and brought tremendous insight and understanding from his extensive experience and leadership roles in the not-for-profit sector over many years.

Ian Hughes stepped down as the National Lottery Community Fund appointee to the Trust Board and was replaced in this role by Phil Chamberlain in March 2025. Ian served on the Board since November 2019 and made a substantial contribution, particularly in relation to the management and oversight of the finances of the group.

All members of the Board have continued to give their full commitment to and engagement in the business of the Trust. A number of specific issues have come up over the year which have required their guidance and thoughtful analysis, and I am very grateful for the helpful support they have provided over the years. I would also like to thank Alastair Ballantyne for his support in providing the executive function of the organisation.

This will be my last Chair’s Statement for the Trust having served on the Board for ten years. I was initially the Director appointed to represent the charitable sector and subsequently (when the Board was reconstituted under new Articles of Association in 2019) reappointed as an independent Non-Executive Director and since 2020 as Chair.

I would like to welcome Vaughan Lindsay who joined the Board in May 2025 and will take over from me as Chair after the Board meeting at which this Annual Report is approved (in July 2025). I believe that he will be taking on this role at a critical time for the Dormant Assets Scheme and for the definition of the role of the Trust in overseeing entities that receive Dormant Asset funding in England. I wish him all the best for the future of the Trust and the opportunities and challenges ahead.

Sir Stuart Etherington

Chair

The Oversight Trust- Assets for the Common Good

Strategic Report

Principal Objectives and Strategy of the Trust

The Trust's objects are, in the public interest, to:

- promote and develop social investment* and the social investment marketplace in the United Kingdom by:
    - acting as a majority shareholder in and providing oversight of BSC with the aim of ensuring that it remains true to its objects;
    - acting as the sole company law member and providing oversight of Access;
- promote individuals' ability to manage their finances and more generally to improve access to personal financial services by acting as the sole company law member and providing oversight of Fair4All; and
- promote the needs of young people by acting as the sole company law member and providing oversight of Youth Futures.

The strategy of the Trust is to perform its oversight role as effectively as possible within the funding envelope allocated. It works closely with other stakeholders including the OpCos, the Department for Culture, Media and Sport (DCMS) and the National Lottery Community Fund (NLCF) to achieve this goal.

The principal objectives and strategies of each of the four OpCos are outlined below. Details of the governance and operating performance of each OpCo can be found in their separately published annual reports.

*Social investment is the use of repayable finance to achieve a social as well as a financial return. There are many charities and social enterprises working hard to deal with some of the most challenging issues in the UK, such as youth unemployment, financial exclusion and homelessness. An increasing number of them wish to use repayable finance to help them increase their impact on society, for example by growing their organisation and extending their reach, providing working capital for contract delivery, or buying assets.

Group Governance Arrangements

The strategy of each of the OpCos in the group is determined by the directors of that company. The Trust is responsible for the oversight of the four OpCos, with the aim of ensuring that they remain true to their objects and in particular:

- To ensure each company is well governed;
- To ensure that any changes to a company's objects are appropriate;
- To ensure each company's strategic plans are in accordance with its objects;
- To review the companies' achievement of social impact;
- To review the transparency of their financial and impact reporting; and
- To provide guidance and advice to the companies where appropriate and practicable, or as requested.

The Trust has a Governance Agreement with each OpCo that sets out the Operating Principles for the company and the details of reporting, assurance and review required by the Trust. The document also sets out the key powers and processes the Trust has that are relevant to it fulfilling its responsibilities. The powers include those specified in the individual company's governing documents as well as those under company law.

Access, Fair4All and Youth Futures are companies limited by guarantee, for which the Trust has governance powers and responsibilities as their sole member. Access is also a registered charity. BSC is a company limited by shares, and the Trust has a controlling interest (it controls 80% of the voting rights at shareholders' meetings). For important issues, such as any change to an OpCo's Articles concerning its Objects and Powers, a consensus vote by the Trust Board is required. Any changes to an OpCo's Governance Agreement require a 75% majority vote of the Trust Board to approve (except for changes to the Remuneration Principles which require a consensus vote).

The boards of the OpCos are responsible for the majority of activities within the group. Each OpCo has its own board of directors that reflects its purpose and each company also operates through board committees appropriate to its operations.

Each OpCo considers its performance against key performance indicators at its own board meetings and review of these measures forms a key element of the update the OpCos provide to quarterly board meetings of the Trust. Each of these board meetings focuses on the financial and operating performance information provided by all of the OpCos. This process includes an annual "deep dive" review of each OpCo in turn at each board meeting.

In 2024 the Trust commissioned its fifth OpCo Quadrennial Review which was the second review of BSC. The review followed those of BSC in 2020, Access in 2021 Fair4All in 2022 and Youth Futures in 2023. The review report was published in January 2025 alongside BSC's response.

In February/March 2025, the Trust provided unqualified Assurance Statements to NLCF based on assurances provided by each OpCo in respect of their compliance with their obligations under their Governance Agreements.

Group Funding

The Trust is funded with monies released from dormant assets under the Dormant Assets Acts 2008-2022. The body that manages these funds is Reclaim Fund Limited (RFL). Funds deemed to be available after considering potential reclaims are transferred from RFL to NLCF for distribution. The amounts of these funds that are distributed to each of the OpCos is determined by DCMS.

By the financial year ended 31 December 2024, BSC had received equity capital from the Trust of £434m. BSC had also received £200m by way of equity investment from its shareholder banks (Barclays, HSBC, Lloyds Banking Group and NatWest Group) for investment across the UK.

Access was initially funded primarily via a £60.7m endowment from DCMS. This endowment was planned to be spent over ten years from 2015 in the delivery of Access' programmes. By year end 2024 Access had been allocated additional funding from dormant account monies of £83m.

Fair4All and Youth Futures were established in 2019. By year end 2024, Fair4All had been allocated a total of £145m of dormant account funding and Youth Futures £125m in order to deliver their programmes of work.

The Trust itself has a funding agreement with NLCF to receive up to £500,000 of dormant asset monies per annum to cover its operating costs on an on-going basis.

DCMS confirmed in an official statement in November 2024 its intention to allocate the next £350m of Dormant Assets projected for the period 2024-28 for causes in England equally between the four stated causes: the needs of young people, financial inclusion (including individuals' ability to manage finance), social investment wholesalers and community wealth funds.

On 2 June 2025 DCMS announced that, based on RFL's estimates, the forecast of Dormant Asset funding for 2024-28 for England had been revised from £350m to £440m and that this tranche of funding would be distributed as follows: £132.5m for the provision of services to meet the needs of young people, to be delivered by NLCF under a single, unified brand to be announced in due course; £132.5m for the development of individuals' ability to manage their finances or the improvement of access to personal financial services, to be delivered by Fair4All; £87.5m for social investment wholesalers to be used to support the delivery of Access's Community Enterprise Growth Plan; and £87.5m for community wealth funds, to be delivered by NLCF.

Consequently, whilst previous Dormant Asset allocations for England have all come to entities in the Trust Group, half of the expected Dormant Assets for England for 2024-28 will be administered directly by NLCF.

The development and performance of the group's business and its position at the end of the year

The total revenue of the group in 2024 was £72.2m (2023: £52.4m), of which £54.2m (2023: £42.7m) was attributable to income from grants and £17.5m (2023: £9.3m) to income from the group's social impact investment portfolio, its treasury portfolio and cash deposits.

Other than in the case of BSC, the OpCos draw down dormant asset monies and other grants received to cover their net expenditure (which includes the cost of investments as well as grants payable and operating costs). The increase in the group's income from grants in 2024 is therefore largely a direct consequence of the increase in the group's outgoings. Net investments made in 2024 that were funded by group revenue totalled £8.9m (2023: £1.7m).

Grants totalling £37.4m (2023: £23.6m) were made during the year, the increase reflecting in particular the progress made by Fair4All and Youth Futures in delivering their respective programmes. Programme and administrative costs amounted to £31.1m (£2023: £26.5m) of which £16.3m (£2023: £14.1m) were staff costs. Within staff costs, wages and salaries increased by 16% due largely to a 9% year-on-year increase in OpCo staff numbers required to handle the increased level of programme delivery.

The group's social impact portfolio comprises investments held by BSC, Fair4All and Access to meet their objectives as described above, and its treasury portfolio and cash holdings are held until applied in financing social impact investment, grants, operating costs or other expenditure that furthers the objectives of the Operating Companies. Income from the group's social impact investment portfolio increased due largely to increased revenue and reduced valuation losses on BSC's social impact investment portfolio, while income from the treasury portfolio reduced due in large part to valuation losses in BSC partially offset by returns on the increased cash funds held by Fair4All following the receipt of its allocation of Dormant Asset monies towards the end of 2023.

Total comprehensive income for 2024 was £2.2m (2023: £1.7m).

In view of the very different strategies and business models of the four OpCos, the development, performance and position of each is discussed in turn below.

Better Society Capital Limited

BSC's mission is to grow the amount of money invested in tackling social issues and inequalities in the UK. It does this by investing its own capital and enabling others to invest for impact too. Since 2012, BSC has helped the social impact investment market grow twelvefold, with an estimated £10bn invested in social impact investment markets, an increase of 7% from 2023. This capital has financed social purpose organisations tackling everything from homelessness to mental health and fuel poverty.

BSC's role is to bring the most relevant experts to the table, generating ideas and connecting capital to where it is most needed. Its ultimate success will be judged by the growth and social impact of the broader environment it has helped to create, not just by the direct impact of its own investment capital. As part of this, BSC must also prove that it is able to sustain itself independently as an organisation.

On 26 April 2024, BSC changed its full name from "Big Society Capital Limited" to "Better Society Capital Limited".

BSC's Strategic Priorities

BSC's strategy for 2021 to 2025 aims to at least double the scale of the social impact investment market in the UK from its 2020 level to £10-£15bn by the end of 2025, in order to:

- Concentrate on the opportunities for transformational impact which have become clearer over time, with the recognition that longer-term models and partnerships are needed to realise these.
- Build platforms to channel capital from private, public and philanthropic sources into the market.
- Continue to build its unique proposition as an expert in delivering social impact through investment by way of a deep understanding of business models, best in class impact practice and decision-making, and networks across sectors.

BSC focuses these approaches on four areas where it has learned there is greatest potential for growing impact at scale, and where the company believes it can make the biggest difference:

- social and affordable housing;
- impact ventures (investing in start-ups which will improve people's lives through innovative technology solutions to issues such as financial inclusion, education and health and wellbeing);
- social lending (providing affordable finance for charities and social enterprises); and
- social outcomes (working with government and public service bodies to bring them together with experts working in charities or social enterprises to invest in long-term positive outcomes).

Alongside this, BSC runs an innovation programme to find the new, big investment ideas that can be developed over the next five years.

In 2024, BSC started planning for its next strategy, which will cover the period 2026 to 2030. The process is ongoing, and BSC expects to launch the new strategy towards the end of 2025. The new strategy will focus on the role BSC has to play in addressing significant inequalities in the UK, helping those furthest from opportunity to flourish. It will seek to find the most significant opportunities where it can have an impact on major inequalities over the next five-plus years, in particular amplifying its impact by working with others to build solutions appropriate to the scale of the challenges faced by people in the UK. BSC is consulting organisations who have used social investment in the past, as well as fund managers who have delivered it, in order for the strategy to be informed by a wide range of perspectives.

2024 performance
BSC's results for the year ended 31 December 2024 show a net profit of £1.1m (2023: net loss £6.0m), driven by positive performance of its equity investments in two social banks, and positive contribution from its property and other lending investments, alongside a difficult year for investment trust holdings, where share price discounts to net asset value widened materially during the year. During 2024, BSC made total new investment commitments of £61m (2023: £44m), higher than the previous year due to the less challenging environment for mobilising co-investment.

At 31 December 2024 BSC held cash and treasury funds totalling £246m (2023: £256m), which represented 141% (2023: 157%) of its undrawn commitments, and had no significant liabilities at 31 December 2024 or 2023.

2024 achievements include:
• Social and Affordable Housing –

  - The focus in 2024 was on engaging with Government and institutional investors to increase the amount of capital being invested in this area
  - BSC made further investments in 2024 of £16.8m.

- Since inception, BSC has made 21 fund commitments in social property totalling £251m (representing 25% of all gross commitments in its Social Impact Investment Portfolio), helping to finance 7,450 properties across the UK, which are projected to provide homes for 19,000 people.
- Previous analysis of the social housing segment of its Portfolio highlighted the reach of these investments, with 74% of investments delivering homes in the least affordable areas, where house prices are nine times the average local salary. 75% of these homes were also in areas with the greatest homelessness pressures.

• Impact Ventures –

- In 2024, BSC committed or approved £19.5m in this area.
- Since 2012, approximately £133m has been committed to impact venture across 25 funds, reaching more than 100 impact start-ups and, through them, helping nearly 10m people. Key impact themes in the portfolio include physical and mental health, financial inclusion, and education and training.
- In February 2024 BSC celebrated the one-year anniversary of ImpactVC, a community of venture capital investors coming together to learn about and raise the profile of impact in venture investments.

• Social Lending –

- In 2024, BSC's focus in this area was on investing to support enterprises in navigating a transition to a climate-resilient future, building capacity in core segments of the market where demand was high, and attracting new investor groups as co-investors, especially around blended finance.
- Two new investments made by BSC in social lending funds, with a total value of £16m.
- Since inception, BSC has made 58 social lending investment commitments and committed £384m of capital.

• Social Outcomes Contracts –

- In 2024 BSC concentrated its efforts on public advocacy, to build knowledge and networks across all areas of Government, at both a local and central level.
- An updated 2024 independent review found that outcomes contracts had generated over £1.86 billion of value, against a total cost to commissioners of £217 million, a benefit to cost ratio of nine:one.
- Since inception BSC has made 13 fund and investment commitments in social outcomes contracts, totalling £44 million, delivering outcomes for at least 70,000 people, many of whom were vulnerable individuals with complex overlapping needs.

Access – the Foundation for Social Investment

Access works to ensure charities and social enterprises can access the finance they need to sustain or grow their impact.

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 has been patchy, under-resourced, under-developed and uncoordinated.

Access's Strategic Priorities

Access wants to see a social investment eco-system that works for all charities and social enterprises. It targets 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' funding has focused on two strategic themes since its inception:

- **Demonstrating the value of blended finance** - By combining grants with repayable finance into a blended package, enabling 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 and those working in disadvantaged areas.

- **Championing enterprise development** - By supporting charities and social enterprises to develop enterprise models, helping 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.

Access's impact lies not just in the programmes it funds but also in its influence over the broader social investment ecosystem. It focuses increasingly on sharing the learning it has generated and mobilising action with a range of partners including social investors, foundations, and infrastructure bodies.

2024 performance
In 2024, Access recorded net expenditure of £6.4m (2023 - net expenditure £7.9m). The result reflects a record year of grant-making activity for Access, in which expenditure on charitable activities totalled £24.6m (2023 - £19.8m). There has been a shift in the core of Access' grant-making programmes being funded from its expendable endowment of £60.65m from DCMS to Dormant Assets. The charity's remaining endowment will be spent over the next year on its Capacity Building and Sharing and Mobilising work as well as part funding the running costs of Access.

At 31 December 2024 Access held cash of £22.6m (2023: £41.5m) and had liabilities of £0.4m (2023: £0.5m). Further funds of £20.0m from previous dormant asset allocations were also available to Access at 31 December 2024 (2023: £20.0m).

2024 achievements include:
- Substantial completion of its cost-of-living programme, with £10.5m of grants and loans deployed within the year
- Commitment of £12m into support packages for energy efficiency
- Enabling deployment of £8.7m in smaller scale, unsecured finance
- Facilitating the investment of £8.8m in patient and flexible capital
- Delivering social and environment impact and a 17% return through its endowment
- Refining its strategic focus for 2025 and beyond

Since its inception, Access has supported over 3,200 charities and social enterprises, deploying over £57m in grant. By the end of December 2024, this had unlocked over £150m of investment (an amount which will increase as more funds are deployed).

Fair4All Finance Limited

Fair4All's vision is a society where the long-term financial wellbeing of all people is supported by a fair and accessible financial services sector. Its mission is to increase the financial resilience and wellbeing of people in vulnerable circumstances by increasing the availability of fair and accessible financial products and services.

By driving transformational sector change, it aims to increase the provision of products and services for people in vulnerable circumstances, improve people's wellbeing and have a positive impact on society and the economy as a whole.

Fair4All's Strategic Priorities:
Fair4All works to boost financial inclusion and make sure everyone has access to the right financial products and services, whenever they need them. It focuses on three key challenges to change the financial services system, so that it provides what people need to manage their money, build their resilience and improve their lives:

- Influencing key actors across the system to prioritise, enable and deliver financial inclusion
- Transforming the market to test and deliver the right products to all customers who need them
- Scaling fair and affordable products to meet the needs of millions of customers

Fair4All's programmes increase access to fair and affordable products and services in some of the most deprived areas of the country. It invests in organisations focused on providing financial products and services to people in vulnerable circumstances and catalyses investment in developing new products and services, supporting all financial service providers to better serve this customer group.

Its focus is on scale and impact – evidencing what works, supporting development and innovation in delivery and driving significant increase in scale and reach. It also identifies areas where regulatory and policy change could accelerate market development, based on research and evidence of what works in the UK and internationally.

Fundamentally, all of Fair4All's work focuses on whether it is changing the system for the better – so that the whole sector provides financially inclusive products and services in a sustainable way for everyone who needs them.

2024 Performance

Fair4All recognised grant income for the year of £16.3m (2023: £13.2m) and interest and investment income totalling £5.9m (2023: £2.0m). It awarded grants of £3.3m (2023: £0.6m) and incurred programme delivery and other operating costs of £7.7m (2023: £6,7m), recognised investment impairments of £2.4m (2023: £0.2m) and taxation of £1.2m (2023: £0.3m). It therefore contributed £7.6m (2023: £7.4m) to the group's profit for the year.

At 31 December 2024 Fair4All held cash and term deposits of £86.0m (2023: £101.5m) and had liabilities of £3.9m (2023: £3.7m).

2024 achievements include:

- 33% like for like growth in affordable credit lent to people in financially vulnerable circumstances by its Affordable Credit Scale Up Programme investees vs 2023
- £10m No Interest Loan Scheme pilot lending milestone reached through 14,000 loans across seven lenders
- £3.5m committed to 30 community finance organisations from its Community Finance Resilience Fund, with more than £3m to follow in 2025
- 200 leaders from across financial services attended its Building Financial Inclusion Together conference
- three significant investments to boost consolidation lending for people in financially vulnerable circumstances, with the aim of unlocking £50m+ in extra lending by 2030
- 38 graduates of its Leadership Programme from across the community finance sector
- £42.9m funding deployed and contractually committed in 2024 to increase the financial resilience and wellbeing of people in vulnerable circumstances, and loan guarantees totalling £6.3m given relating to third party funding of Fair4All programmes
- Increase of £9.3m in grant and investment commitments in process at year end over the corresponding total at the end of 2023
- Fair4All was invited to join the Government-sponsored Financial Inclusion Committee charged with developing a National Financial Inclusion Strategy

Youth Futures Foundation Limited

Youth Future is the national What Works Centre for youth employment, with a specific focus on marginalised young people.

It wants to see an equitable future society where every young person can achieve good work. Its mission is to ensure marginalised young people can secure and thrive in good work, by finding out What Works and driving change in policy and practice.

Across the UK, the proportion of young people not in education, employment or training remains consistently high. The challenge is even greater for the most marginalised young people, who face serious systemic barriers to finding and keeping good work.

Youth Futures therefore focuses on young people aged 14-24 who are disproportionately represented amongst those who are not in education, employment or training for extended periods, noting that experiences are deeply intersectional:

- ethnic minorities, particularly those most at risk of facing disparities in the labour market (Black, Pakistani & Bangladeshi)
- those with experience of the care and / or criminal justice systems
- those with a learning disability or autism
- those with mental health challenges

Youth Futures' Strategic Priorities

Youth Futures' work has two overarching objectives to bring about system change for marginalised young people:

- to find and generate high-quality evidence to better understand England's youth unemployment and inactivity challenge, and to learn what solutions work to address this. Youth Futures does this through bringing together the best evidence already in existence and building on it by conducting original research and testing and evaluating promising interventions to produce much needed new evidence where there are gaps.
- to put evidence into action with policymakers, employers and funders who have the means to make direct, impactful and transformational systems change for young people. Youth Futures does this through translating the evidence practically for stakeholders to use and understand, and through partnerships and engagement to influence, inform and support them as decision makers to back evidence-based interventions that work.

Throughout its work, Youth Futures includes the voices, perspectives and participation of young people experiencing marginalisation, through their Future Voices Group, young Board members and other youth inclusion panels.

2024 Performance

Youth Futures incurred programme costs and administrative expenses totalled £20.8m in 2024 (2023: £11.1m), together with taxation of £0.3m (2023: £0.4m). Accordingly, after allowing for interest receivable of £1.3m (2023: £1.7m), Youth Futures recognised grant income of £19.8m for the year (2023: £9.3m).

At 31 December 2024 Youth Futures held cash at bank of £19.5m (2023: £32.8m) and had liabilities amounting to £16.5m (2023: £10.2m). Further funds of £56.6m from previous dormant asset allocations were also available to Youth Futures at 31 December 2024 (2023: £56.6m).

2024 achievements include:

- Saw the government announce Youth Guarantee which adopts key policy proposals featured in the Young Persons Guarantee report formed by Youth Futures and fellow co-chairs on the Youth Employment Group
- Published a first-of-its-kind national Youth Employment Outlook 2024, bringing together the latest data and evidence on the youth employment landscape to highlight both the challenges and opportunities, and to inform effective solutions and action.

- Further expanded the resources available on youth employment, including four new evaluations and six new research reports and saw an 83% increase from 2023 on the use of our Youth Employment Toolkit
- Published findings from the largest ever survey of young people from ethnic minoritised backgrounds carried out in the UK to date, examining their experiences of discrimination and work
- Invested in an exciting set of new evidence generating projects developing random control trials, including launching JobsPlus in partnership with the Department for Work and Pensions and the Learning and Work Institute and continuing the groundbreaking therapeutic trial for care-experienced young people in Bristol.
- Launched three new programmes to further build the evidence base and influence practice (Building Futures, Evidence into Action and Talent Unlocked)

Principal Risks and Uncertainties

The group is largely reliant on continued government support, both for financial sustainability through the ongoing distribution of dormant assets to the OpCos, and for political commitments that directly or indirectly support the objects of the OpCos and the levers of change on which they are focused. The OpCos seek to mitigate the risks to which these dependencies give rise by maintaining high levels of active and open engagement with government and other key stakeholders, using evidence-based knowledge and approaches to show how their strategies are achieving positive social impact and systems change.

The OpCos are heavily dependent on partners and intermediaries for their programme delivery strategies. These partners and intermediaries include substantial established organisations, many of the partners and intermediaries are less resilient and face operational challenges in deploying funds effectively at the scale and speed desired. Where this is the case, the OpCos seek to mitigate the operational risks by providing support, for example by training partners' staff or facilitating investment in their IT systems. However, the OpCos continue to face challenges in building and sustaining all the partnerships they need in order to achieve their ambitions.

In order to achieve their social impact objectives, the OpCos that make direct financial investments in social enterprises have to take and accept significant risks of both financial and social impact losses. They seek to mitigate the risks by policies and processes such as extensive pre-investment due diligence, limiting portfolio concentration to the extent possible, and close monitoring by management and board investment committees.

The OpCos face a range of operational risks, including cyber risks, resulting from inadequate or failed internal processes, and also the risk of failing to attract, develop and retain sufficient expertise to meet their objectives. All the OpCos have policies and procedures in place, underpinned by suitably qualified and experienced staff and overseen by board committees, to monitor the effectiveness of internal controls and the culture and working environment of each OpCo.

Financial risk management

The principal operational risks associated with financial instruments held by the group are liquidity risk arising from the illiquid nature of BSC's social impact investments and impairment risk in the case of Fari4All's investments in and guarantees provided to financial services organisations. To protect against the potential conserquences of its liquidity risks it is BSC's policy that projected available liquidity (in the form of securities that can be liquidated within 12 months, together with cash and short-term deposits) should be at least 80% of its undrawn investment commitments. Fair4All's fixed asset investments in financial services organisations are not publicly traded and are made largely with the objective of supporting Fair4All-sponsored programmes to increase the provision of affordable finance. It has also provided guarantees to lenders in connection with their participation in Fair4All's programmes. Fair4All protects itself from the potential consequences of the impairment and guarantee risks by holding significant short-term cash deposits with mainstream banks which, as at 31 December 2024 (and 2023) exceeded 100% of the value of its fixed asset investments and its exposure to guarantee claims.

Other than the group's Social Impact Investment Portfolio investments made by BSC and Fair4All, the OpCos enter only into basic financial instrument transactions, notably term deposits of up to 12 months with mainstream banks.

Directors' duties

The Directors have a duty to promote the success of the company for the benefit of its members (who under the Trust's corporate structure are themselves the Directors), while having regard to the following (s172(1)) requirements:

(a) the likely consequences of any decision in the long term;
(b) the interests of the company's employees;
(c) the need to foster the company's business relationships with suppliers, customers and others;
(d) the impact of the company's operations on the community and the environment;
(e) the desirability of the company maintaining a reputation for high standards of business conduct; and
(f) the need to act fairly as between members of the company.

The purpose of The Trust is not to work for the benefit of its members but to protect the public interest in the use of funds received by the OpCos under the Dormant Bank and Building Society Accounts Act 2008. The section 172 Statement below should be read in that context.

Long-term decisions

The role of the Trust is to ensure that the OpCos remain true to their objects as defined in their respective Articles of Association. Accordingly, the Trust keeps the strategies and performance of the OpCos under review to ensure that they continue to be consistent with their objectives.

The Trust engages in a quarterly review of each OpCo, with an annual more detailed assessment and an annual Governance Review. Each year an independent panel is commissioned by the Trust to produce a Review of the impact and effectiveness of one of the OpCos (with each OpCo being reviewed over the course of four years) to ensure that longer term issues of systems change and impact delivery are reviewed and the effectiveness of each organisation in the long term delivery of its mission can be assessed.

The Trust's ultimate power to enforce any concerns in relation to its responsibilities is its ability to remove OpCo directors (or to request that an OpCo not re-appoint them). The Trust is also involved in the process of appointing new OpCo Chairs (in addition to its power of ratifying their formal appointment).

Interests of the group's employees

The role of the Trust is to promote good governance by seeking transparency and encouraging best practice. To this end, in its reviews of the governance of the OpCos, OT discusses the results of their periodic board effectiveness reviews and staff surveys, and monitors their progress in pursuing their EDI policies.

Each OpCo has a Governance Agreement with the Trust that includes Remuneration Principles that specify the approach to be taken to senior management remuneration. Remuneration is discussed at least annually with each company as part of the Governance Review process. In general, however, an individual OpCo's policy as it relates to their employees is an operational decision overseen by each OpCo's board of directors.

Relationships with stakeholders, and standards of business conduct

The independent Quadrennial Reviews of the OpCos commissioned by the Trust focus heavily on obtaining feedback about the OpCo concerned from their stakeholders. The reviews engage stakeholders – typically around 30-40 in number - in conversations exploring the successes, challenges and opportunities for the OpCo concerned. The stakeholders differ between OpCos, but in most cases include policy makers, regulators, sector bodies, intermediaries, co-investors and other partners, investees, research partners. Other key stakeholders in single OpCos are interviewed such as employers in the case of Youth Futures, credit unions and community development financial institutions in the case of Fair4All, charity and social enterprise membership and representative bodies in the case of Access, and fund managers in the case of BSC.

The reviews provide the Trust with valuable insights into OpCos' relationships with stakeholders and the way in which they conduct their business. Quadrennial Review reports, together with the response of the Trust and the response of the OpCo concerned to each report, are published on the Trust's website.

This report was approved by the Board on 23 July 2025 and signed on its behalf.

Sir Stuart Etherington

Chair

The Oversight Trust- Assets for the Common Good
Directors' Report

The directors present their report and audited consolidated financial statements for the year ended 31 December 2024.

Directors

The following persons served as directors during the year:

• Sir Stuart Etherington	(also Chair)
• Robert Bell	
• Meera Craston	(appointed on 26 July 2024)
• Kevin Davis DL	
• Helen England	
• Joanna Fox	(Government appointee)
• Stephen Howard LVO	(resigned 26 July 2024)
• Ian Hughes	(resigned 17 March 2025 – NLCF appointee)
• David Lindsell	
• Nicola Pollock	(also Senior Independent Director)
• Andrew Rose	
• Victoria Thornton	

Remuneration

At its meeting on 20 February 2020 the Board decided that, in order to attract Directors with the required skills and from diverse backgrounds, remuneration should be offered (except to the Government and NLCF Appointees for whom any remuneration is included within their roles for those entities). It was agreed that the level of payment should reflect a discount to the average of the remuneration offered to the OpCos' paid Non-Executive Directors.

For 2024, the Board agreed that from 1 April 2024, the Trust's Directors should be offered £ 5,801 pa (£5,578 pa prior to this date). The Chair, who is also the highest paid director, was offered an additional £ 5,801 pa (£5,578 pa prior to this date) and the lead of the Quadrennial Review an additional £ 2,990 pa (£2,789 pa prior to this date). These sums are reviewed annually by the Nominations and Remuneration Committee, which makes recommendations to the Board to adjust the amount offered, taking into consideration factors such as changes in responsibilities and changes to remuneration in the broader sector and inflation.

The Trust incurred £57k (2023: £61k) in payments to directors for services rendered in the current year.

Group higher pay disclosure

The total number of employees in the group with annual remuneration of £60,000 or more and employed as at the period end were as follows:

	2024	2023
£60,000-£69,999	25	20
£70,000-£79,999	15	15
£80,000-£89,999	15	14
£90,000-£99,999	11	8
£100,000-£109,999	7	4
£110,000-£119,999	-	1
£120,000-£129,999	1	2
£130,000-£139,999	5	3
£150,000-£159,999	2	1
£180,000-£189,999	1	-
	82	68

Dividends

As a company limited by guarantee, the Trust does not pay dividends.

Directors' indemnity

The company arranges directors' and officers' liability insurance to cover certain liabilities and defence costs.

Greenhouse Gas Emissions

As the company has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities. The wider group is not required to disclose its carbon reporting due to all entities being low energy users.

Political contributions

Neither the company nor any of its subsidiaries made any disclosable political donations or incurred any disclosable political expenditure during the year (2023: £nil).

Independent auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed, and PwC will therefore continue in office.

Interests of the Trust's Board members

All Board members declare their interests in a register kept and updated by the Company Secretary, which is shared with the Trust Board collectively and each of the Trust's subsidiaries.

If the Board or Committee considers any matters which could reasonably be seen as giving rise to a conflict of interest, the Chair of the meeting ensures at the outset that disclosure is made and that the member withdraws while the relevant item is discussed.

The following table details all interests specifically relevant to the operation of the Trust within the 2024 financial year(2):

Name	Organisation Name	Details
Joanna Fox	Department for Digital, Culture, Media and Sport (DCMS)	Government appointee (1)
Ian Hughes	The National Lottery Community Fund (NLCF) We Don't Settle CIC	NLCF appointee (1) Non-Executive Director of a social enterprise whose focus of work aligns with the purpose of Youth Futures.
Stephen Howard	Big Issue Invest Limited (BII)	Non-Executive Director of organisation; BSC is an investee in BII managed funds
Nicola Pollock	SASC Trust Local Trust	Chair of SASC Trust, Better Society Capital invests in funds managed by Social and Sustainable Capital LLP Vice chair of Local Trust which has a role similar to Community Wealth Funds that will be funded by Dormant Assets in the future
David Lindsell	Joseph Rowntree Foundation	Son-in-law is CEO of Joseph Rowntree Foundation that has worked with BSC.
Kevin Davis	The Ladder Apprenticeship Foundation	Non-Executive Director of organisation whose focus of work aligns with the purpose of Youth Futures.

Victoria Thornton	Age UK	Finance Director of an organisation that has worked with BSC.
Meera Cranston	New Philanthropy Capital	Trustee of an organisation that may undertake work for OpCos.

Notes:
(1) Both DCMS and NLCF provide funding to the Trust group. DCMS funding is subject to the approvals process for grants from central government departments. NLCF funding is provided under the terms of the Dormant Assets Act 2022 (previously the Dormant Bank and Building Society Accounts Act 2008). Funding from the English portion of these monies is directed by the Secretary of State for DCMS.

(2) Disclosures of Related Party Transactions are made in the Trust's financial statements.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group and the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group and company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006.

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

Strategic report

In accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, the group has chosen to include information required under schedule 7 of the Large and Medium-sized Companies and group (Accounts and Reports) Regulations 2008 within its Strategic Report. It has done so in respect of financial risk management objectives and policies and future developments.

Disclosure of information to auditors

Each person who was a director at the time this report was approved confirms that:

- so far as they are aware, there is no relevant audit information of which the group's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the group's auditors are aware of that information.

This report was approved by the Board on 23 July 2025 and signed on its behalf.

Sir Stuart Etherington

Chair

Independent Auditors' Report to the members of The Oversight Trust – Assets for the Common Good

Report on the audit of the financial statements

Opinion

In our opinion, The Oversight Trust - Assets for the Common Good's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2024 and of the group's profit, the company's result and the group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial statements (the "Annual Report"), which comprise: the Consolidated Statement of Financial Position and the Company Statement of Financial Position as at 31 December 2024; the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows, the Company Statement of Comprehensive Income and the Company Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

Independent Auditors' Report to the members of The Oversight Trust – Assets for the Common Good (continued)

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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic report and the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included. Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and the Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and the Directors' Report for the year ended 31 December 2024 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

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

Auditors' 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 auditors' 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.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to Dormant Assets Acts 2008 to 2022 and the Financial Conduct Authority regulations primarily defined by the Financial Services and Markets Act 2000, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws

Independent Auditors' Report to the members of The Oversight Trust – Assets for the Common Good (continued)

and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to bias in the judgements relating to the valuation of investments and the posting of inappropriate journal entries. Audit procedures performed by the engagement team included:

- Enquiries with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing relevant meeting minutes, including those of the Board of Directors;
- Reviewing correspondence with the Financial Conduct Authority;
- Identifying and testing journal entries that met certain risk criteria;
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing; and
- Assessing and challenging the assumptions underlying the accounting estimates, including any valuation adjustments and overlays.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

R Hawkins.

Robert Hawkins (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
23 July 2025

The Oversight Trust- Assets for the Common Good
Consolidated Statement of Comprehensive Income

For the year ended 31 December 2024

	Notes	2024 £'000	2023 £'000
Income from grants	**2**	54,177	42,693
Net investment income	**3**	17,486	9,312
Other income		532	438
Total income		**72,195**	**52,443**
Administrative and other expenses	**4**	(31,066)	(26,473)
Grant expenditure	**5**	(37,435)	(23,648)
Profit before taxation		**3,694**	**2,322**
Tax charge on profit	**7**	(1,474)	(653)
Profit for the financial year and total comprehensive income for the year		**2,220**	**1,669**
Total comprehensive income/(expense) for the year attributable to:			
- Non-controlling interest	**21**	343	(1,897)
- Equity attributable to the parent	**20**	1,877	3,566
		2,220	**1,669**

There is no other comprehensive income.

The results above relate to continuing operations.

The notes on pages 29 to 56 form part of these financial statements.

The Oversight Trust- Assets for the Common Good
Consolidated Statement of Financial Position

As at 31 December 2024

	Notes		2024 £'000		2023 £'000
Fixed assets					
Intangible assets	**8**		69		131
Tangible assets	**9**		303		194
Investments	**10**		441,563		420,949
			441,935		**421,274**
Current assets					
Debtors	**11**	2,414		3,128	
Investments	**12**	237,427		266,452	
Cash at bank and in hand	**13**	150,156		184,050	
		389,997		**453,630**	
Creditors: amounts falling due within one year	**14**	(120,398)		(168,705)	
Net current assets			**269,599**		**284,925**
Total assets less current liabilities			**711,534**		**706,199**
Creditors: amounts falling due after more than one year	**14**		(28,268)		(25,158)
Provisions for liabilities					
Deferred taxation	**15**		(20)		(15)
Net assets			**683,246**		**681,026**
Capital and reserves					
Profit and loss account	**20**		485,301		483,424
Equity attributable to the parent			**485,301**		**483,424**
Non-controlling interest	**21**		197,945		197,602
Total equity			**683,246**		**681,026**

The notes on pages 29 to 56 form part of these financial statements.

The financial statements on pages 25 to 56 were approved by the Board of Directors on 23 July 2025 and signed on its behalf by:

Sir Stuart Etherington

Chair

Company registration number: 07611016

The Oversight Trust- Assets for the Common Good
Consolidated Statement of Changes in Equity

For the year ended 31 December 2024

	Non-controlling interest £'000	Profit and loss account £'000	Total £'000
At 1 January 2023	199,499	479,858	679,357
(Loss)/profit and total comprehensive income for the financial year	(1,897)	3,566	1,669
At 31 December 2023	**197,602**	**483,424**	**681,026**
At 1 January 2024	197,602	483,424	681,026
Profit and total comprehensive Income for the financial year	343	1,877	2,220
At 31 December 2024	**197,945**	**485,301**	**683,246**

The notes on pages 29 to 56 form part of these financial statements.

The Oversight Trust- Assets for the Common Good
Consolidated Statement of Cash Flows
For the year ended 31 December 2024

	Notes	2024	2023
		£'000	£'000
Operating activities			
Profit before taxation		3,694	2,322
Adjustments for:			
Depreciation and amortisation		185	156
Loss on disposal of tangible asset		4	-
		3,883	**2,478**
Decrease/(increase) in debtors		647	(858)
(Decrease)/increase in creditors		(45,197)	89,325
		(40,667)	**90,945**
Returns on fixed asset investments		(6,690)	5,122
Returns on current asset investments		4,773	(1,690)
Payments to acquire fixed asset investments		(50,105)	(67,233)
Payments to acquire current asset investments		(50,692)	(125,829)
Proceeds from sale of fixed asset investments		34,567	49,113
Proceeds from sale of current asset investments		70,949	145,491
Foreign exchange losses		697	209
Corporation tax paid		(1,409)	(777)
Cash (used in)/generated from operating activities		**(38,577)**	**95,351**
Investing activities			
Payments to acquire tangible and intangible fixed assets		(236)	(235)
Payments to acquire fixed asset investments		(12,443)	(8,227)
Payments to acquire current asset investments		-	(1,408)
Proceeds from sale of tangible fixed assets		-	-
Proceeds from sale of fixed assets investment		13,744	-
Proceeds from sale of current asset investments		4,322	6,516
Cash generated from/(used in) investing activities		**5,387**	**(3,354)**
Net cash generated			
Cash (used in)/generated from in operating activities		(38,577)	95,351
Cash generated from/(used in) investing activities		5,387	(3,354)
Net (decrease)/increase in Cash and cash equivalents		**(33,190)**	**91,997**
Cash and cash equivalents at 1 January		217,156	125,159
Cash and cash equivalents at 31 December	**13**	**183,966**	**217,156**
Cash and cash equivalents comprise:			
Cash at bank		150,156	184,050
Current asset investments (maturity less than three months from the date of acquisition)		33,810	33,106
	13	**183,966**	**217,156**

The notes on pages 29 to 56 form part of these financial statements.

1 Summary of significant accounting policies

The consolidated financial statements for the group comprise the company and its subsidiaries (together referred to as "the group").

Basis of preparation

The financial statements have been prepared in accordance with FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”) and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and groups (Accounts and Reports) Regulations 2008.

The financial statements have been prepared on a going concern basis, under the historical cost convention, except for certain financial instruments which are stated at their fair value, as detailed in the ‘Basic financial instruments’ accounting policy below.

The group's functional currency is pounds sterling, and the group's financial statements are rounded to the nearest thousand pounds.

Going concern

The financial statements have been prepared on the going concern basis. The group has built cumulative reserves in the profit and loss account since inception of £485,301k and has reported a profit for the year of £2,220k. The group had cash and current asset treasury investments of £387,583k at the year end which is enough to cover its outstanding commitments at year end. The Directors have reviewed the group’s future liquidity projections in the light of the prolonged macroeconomic uncertainty, continuing inflation risks and higher interest rates and considered the potential implications of these on future company operations. Whilst there are significant wider market uncertainties which may impact portfolio investments, the Directors do not believe these will significantly impact the overall liquidity of the group and believe that the group has sufficient existing treasury balances to enable it to meet its investment and other obligations and to continue in operational existence for at least the next 12 months from the date of approval of the financial statements. Further information on this is set out in the Strategic Report Under Group Funding. For this reason, the Directors have adopted the going concern basis in preparing these financial statements.

Basis of consolidation

The consolidated financial statements incorporate the company and its subsidiaries. Control is achieved where the group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The Trust has 80% of voting rights in Better Society Capital Limited and is the sole member of its remaining three subsidiaries: Access - The Foundation for Social Investment, Fair4All Finance Limited, and Youth Futures Foundation Limited. All financial statements are made up to 31 December.

All intra-group transactions, balances, income, and expenses are eliminated in full on consolidation.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by subsidiaries in their own financial statements with those accounting policies of the group.

Non-controlling interest

Non-controlling interests are included in the Consolidated Statement of Financial Position at an amount which represents their proportionate share of net assets. Changes in the ownership percentage of the non-controlling interests are accounted for as deemed acquisitions or disposals.

Use of judgements and estimates

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Fair value measurement of fixed asset investments and current asset investments

The most significant area of estimation is the determination of the fair value for Level Two and Three investments. This is discussed below, in the accounting policy 'financial instruments – iii) Fair value measurement'. Any changes in the fair value measurement will impact the carrying value of investments.

Foreign currency

Transactions in foreign currencies are translated to the individual companies' functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the Statement of Financial Position date are translated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the Statement of Comprehensive Income.

Subsidiaries and Associates held as part of an investment portfolio

The group, through Better Society Capital has investments that may be regarded as subsidiary or associated undertakings, which might require these to be consolidated using the equity method of accounting. As these investments are held as part of an investment portfolio, they have not been consolidated in the group financial statements, and are measured at fair value with changes in fair value recognised in profit or loss in accordance with FRS 102 sections 9.9C(a), 14.4(c) and 15.9(c).

Recognition of government grants

Access' endowment from the Cabinet Office, overseen through the Department for Culture, Media and Sport since 2016, is recognised as income in the period in which the charitable company is entitled to receipt, the amount can be measured reliably and it is probable that the funds will be received. Better Society Capital's capital grants from the Department for Levelling Up, Housing and Communities are included within deferred income in the Consolidated Statement of Financial Position and credited to the Statement of Comprehensive Income over the expected useful lives of the assets to which they relate. All other government grants are included within deferred income in the Consolidated Statement of Financial Position and credited to the Statement of Comprehensive Income in the period in which the related costs are incurred.

Recognition of grants from the National Lottery Community Fund (NLCF)

Grants received under Funding Agreements from the NLCF – being a public body – are included within deferred income in the Consolidated Statement of Financial Position. Where costs that are not capitalised are incurred, NLCF grant funding is credited to the statement of comprehensive income in the period in which the related costs are incurred. Where costs that are capitalised are incurred, NLCF grant funding is credited to the Statement of Comprehensive Income in the period in which the related costs are capitalised.

Amounts received by Access from the NLCF to distribute to investors through the Growth Fund are not under the control of the charity, and are therefore not recognised in the Statement of Comprehensive Income. The fee Access receives for administering these funds is also included within deferred income in the Consolidated

Statement of Financial Position and credited to the statement of comprehensive income in the period in which the related costs are incurred.

Management fees

Management fees earned from portfolio management services provided to Schroder BSC Social Impact Trust are recognised on an accruals basis throughout the year when it is probable that the economic benefits will flow to the group.

Interest

Interest income is recognised either using the effective interest method or on an accruals basis, depending upon whether the financial asset is measured at amortised cost or whether it has been designated upon initial recognition as at fair value through profit or loss.

The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial instrument to the carrying amount of the financial instrument. When calculating the effective interest rate, the company estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

Grant expenditure

Grants are 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 grants are accounted for on an accruals basis.

Net gains or losses from financial assets designated as at fair value through profit or loss

Net gains or losses from financial assets designated as at fair value through profit or loss includes all realised and unrealised fair value changes.

Financial instruments

i.) Recognition and initial measurement

Financial assets designated as at fair value through profit or loss are recognised initially at cost, with transaction costs recognised in profit or loss and subsequently at fair value except when no reliable current measure of fair value is available, in which case the investment is measured at cost less any impairment.

Financial assets or financial liabilities measured at amortised cost are recognised initially at transaction price and subsequently at amortised cost, using the effective interest method less any impairment losses as assessed below.

Investments within the Social Impact Investment Portfolio, in which the group has significant influence, are held as part of an investment portfolio rather than qualifying as subsidiaries, associates or joint ventures, and are measured at fair value with changes recognised in profit or loss. The group recognises its investments within the Consolidated Statement of Financial Position, on the date on which investments are signed and a drawdown notice has been received by the group. Additionally the group discloses commitments at two distinct stages: commitments contracted but not drawn down and in principle commitments approved but not signed. Details are set out in Note 22 – Capital commitments.

ii.) Classification

The group classifies its financial instruments into the following categories:

Financial assets at fair value through profit or loss

Designated as at fair value through profit or loss – listed debt securities, social bonds, equity, multi-asset funds, social impact bond investments and derivative financial instruments.

Financial assets at amortised cost

Debt investments meeting relevant conditions, cash at bank and in hand, cash deposits (included in investments held as current assets), accrued income and other debtors.

Financial liabilities at amortised cost

Trade creditors, accruals and other creditors.

Financial liabilities at fair value through profit or loss

Derivative financial instruments.

Note 16 – Financial risk management and financial instruments provides a reconciliation of line items in the Statement of Financial Position to the categories of financial instruments.

iii.) Fair value measurement

As described in Note 17 – Valuation of financial instruments, the group uses a three-level hierarchy for fair value measurement disclosure. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction on the measurement date.

The group's investment portfolio is held through a variety of fund and other structures, including Limited Partnerships, Limited Liability Partnerships and Limited Companies amongst others. In determining a fair value using Level 3 valuation techniques, the group applies the principles included in the 'International Private Equity and Venture Capital Valuation Guidelines' (2022 edition):

The majority of the group's investments are funds measured at fair value through profit or loss based on the net asset value ("NAV") of the fund at the year end. The group's valuation of fund investments is, therefore, dependent upon estimations of the valuation of the underlying investments in each fund. To value such investments, management obtains the latest audited financial statements or unaudited investor reporting of the investments and discusses further movements with management of the funds following consideration of whether the funds follow the International Private Equity and Venture Capital Guidelines ("IPEV Guidelines"). Not all fund investments have coterminous year-ends with the group. Management may also perform further procedures to determine whether the valuation of the underlying investments has been prepared in accordance with appropriate valuation policies and these valuations will be adjusted by the group where necessary based on IPEV Guidelines.

Non-fund investments are also valued following IPEV guidelines using market, income or replacement cost approaches such as the price of a recent investment, discounted cash flows and NAV among others. An assessment will be made at each measurement date as to the most appropriate valuation methodology.

Fair value estimates that are based on observable market data will be of greater reliability than those based on estimates and assumptions and, accordingly, where there have been recent investments by third parties, the price of that investment will generally provide a basis of the valuation. If this methodology is used, its initial use and the length of period for which it remains appropriate to use the calibration of last round price depends on the specific circumstances of the investment, and the group will consider whether this basis remains appropriate each time valuations are reviewed. In all cases, valuations are based on the judgement of the Directors and upon available information believed to be reliable, which may be affected by conditions in the financial markets. Due to the inherent uncertainty of the investment valuations, the estimated values may differ significantly from the values that would have been used, had a ready market for the investments existed, and the differences could be material. Due to this uncertainty, the group may not be able to sell its investments at the carrying value in these financial statements when it desires to do so or to realise what it perceives to be fair value in the event of a sale.

iv.) Impairment

A financial asset not classified at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence of impairment. A financial asset or a group of financial assets is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset(s), and that loss event(s) had an impact on the estimated future cash flows of that asset(s) that can be estimated reliably.

v.) Derivative financial instruments

The group holds derivative financial instruments to manage its exchange risk exposure from its managed treasury assets (debt securities), denominated in USD and EUR. Derivatives are recognised initially at fair value with any attributable transaction costs recognised in the Statement of Comprehensive Income as incurred. After initial recognition derivatives are measured at fair value and changes recognised in the statement of profit and loss as incurred, the fair value reflects the estimated amount the group would receive or pay in an arm's length transaction. This amount is determined based on observable exchange rates.

vi.) Offsetting

Financial assets and liabilities are offset and the net amount presented in the Consolidated Statement of Financial Position when, and only when, the group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under UK GAAP e.g. for gains and losses arising from a group of similar transactions, such as gains and losses from financial instruments at fair value through profit or loss.

vii.) Derecognition

Financial assets are derecognised only when the contractual rights to the cash flows from the assets expire, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Investments held as current assets

The group classifies investments (cash deposits, social bonds, multi-asset funds or other debt securities) that cannot be readily realised within 24 hours, but can be realised within 12 months, as investments held as current assets.

Cash and cash equivalents

Cash and Cash Equivalents are represented by cash in hand and investments held that have a maturity or period of notice of less than three months from the date of acquisition.

Intangible fixed assets

Intangible fixed assets are initially recognised at cost and are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on all intangible assets to allocate the depreciable amount of the assets to their residual values over their estimated useful lives, on a straight-line basis as follows:

Software development	Over 3 years

Tangible fixed assets

Tangible fixed assets are initially recognised at cost and are subsequently measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Leasehold land and buildings	Over the lease term
Fixtures, fittings, tools and equipment	Over 2 to 4 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited to profit or loss.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the Consolidated Statement of Financial Position date, and any adjustment to tax payable in respect of previous years. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense as incurred.

Retirement benefits

The group operates defined contribution pension schemes. Contributions are charged to the statement of comprehensive income as they become payable in accordance with the rules of the schemes.

Leases

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the statement of comprehensive income on a straight-line basis over the period of the lease. This similarly applies to related lease incentives e.g. rent-free periods.

2 Income from grants

	2024	2023
	£'000	£'000
Grant income from the National Lottery Community Fund	51,215	40,265
Other government grant income	2,962	2,428
	54,177	**42,693**

Under the terms of its funding agreement to support its role in oversight of the operating companies, the Trust received grants from NLCF in 2024 totalling £nil (2023: £877k). This grant income is included in deferred income and credited to the statement of comprehensive income in the period in which the related costs are incurred. During the year, the Trust utilised £420k (2023: £421k) of these funds. During the year, the Trust received a grant of £nil (2023: £8,000k) enabling it to invest in Better Society Capital shares and so to provide funding to BSC in line with the sums allocated to it by DCMS.

As described in the Strategic Report, Dormant Asset funding commitments to the OpCos have been made under funding arrangements with NLCF. To date, these agreements total: Access £83m; Fair4All £145m and Youth Futures £125m

Access recognised income from grants from NLCF of £16,673k (2023: £10,443k); it received a further £85k (2023: £76k) under a service level agreement with NLCF to administer the Growth Fund.

Fair4All recognised income from grants from NLCF in 2024 of £4,612k (2023: £4,475k) and a further £9,937k (2023: £7,569k) of funding was recognised in consolidation for the group financial statements against the cost of social investments in order to meet the group grant recognition policy with respect to the use of funding from grants received or receivable.

YFF released £19,749k (2023: £9,281k) of deferred grant funding in respect of grants made and operating costs.

During 2022, BSC received £10,000k from the Ministry of Housing, Communities and Local Government (subsequently renamed the Department for Levelling Up, Housing and Communities). Monies raised from this grant are to be ring-fenced for drawdown into participating social impact investment vehicles, with the aim of delivering accommodation for rough sleepers, those at risk of rough sleeping, and the homeless. The agreement provides for money to be clawed back by the grantor, if and only if Better Society Capital breaks the terms of the grant agreement within a 30-year period, and is additional to £15,000k of capital funding received in 2021, alongside a £750k revenue grant for project evaluation for which income is being released against costs. During the year, £1,047k (2023: £862k) of these funds has been recognised as income.

3 Net investment income

	2024 £'000	2023 £'000
Total net investment income	17,486	9,312
Represented by:		
Revenue		
Social Impact Investment Portfolio	12,582	8,261
Treasury Portfolio	16,275	9,672
	28,857	**17,933**
Investment (losses)/gains		
Social Impact Investment Portfolio	(6,206)	(12,414)
Treasury Portfolio	(5,165)	3,793
	(11,371)	**(8,621)**

3a Total Revenue - Social Impact Investment Portfolio

	2024 £'000	2023 £'000
Net investment income/(expense)	6,376	(4,153)
Represented by:		
Revenue		
Income distributions from investment vehicles	6,731	4,073
Interest income on financial assets designated as fair value	1,956	1,994
Interest income on financial assets carried at amortised cost	1,800	1,283
Dividend income from financial assets designated as fair value	1,967	890
Fees received	128	21
	12,582	**8,261**
Investment (losses)/gains		
Net losses from financial assets designated as fair value	(6,214)	(12,148)
Net gains from financial assets carried at amortised cost	62	47
Net foreign exchange losses from financial assets designated as fair value	(54)	(313)
	(6,206)	**(12,414)**

3b Total Revenue - Treasury Portfolio

	2024 £'000	2023 £'000
Net investment income	11,110	13,465
Represented by:		
Revenue		
Interest income on financial assets designated as fair value	7,525	4,549
Interest income on financial assets designated as amortised cost	8,571	4,976
Dividend income on financial assets designated as fair value	179	147
	16,275	**9,672**
Investment (losses)/gains		
Net (losses)/gains from financial assets designated as fair value	(5,009)	3,359
Net (losses)/gains from financial assets carried at amortised cost	(327)	253
Net gains on currency forward derivatives	751	1,405
Net foreign exchange losses from financial assets carried at amortised cost	(580)	(1,224)
	(5,165)	**3,793**

As described in the Strategic Report on pages 6 to 16 the income and valuation movements on the Social Impact Investment Portfolio reflect the continued growth of the portfolio and the current stage of the company's social impact investments, as these move to a more mature, fully invested position, as well as the expected volatility due to the long-term nature of the investments and the use of fair value accounting to value them. As described in Note 17 – Valuation of financial instruments, one of the valuation techniques applied is to value the investments on the basis of their Net Asset Valuation. This results in the recognition of set-up costs, management fees and other expenses paid to fund managers, as they are incurred by the investee.

During 2024, the company made investments in foreign currency denominated assets. As outlined in Note 16 – Financial risk management and financial instruments, the foreign exchange risk of the managed Treasury assets (debt securities) is handled with currency forward derivative contracts. Any gains/losses on the revaluation of foreign currency denominated assets offset the corresponding gains/losses on the currency forward derivatives to the extent that the derivatives match the underlying currency exposure. During 2024, the exchange loss on foreign currency denominated debt securities was £580k (2023: loss of £1,224k), which was offset by a gain on the currency forward derivatives in 2024 of £751k (2023: gain of £1,405k), resulting in a net foreign exchange gain of £171k (2023: £181k).

4 Administrative and other expenses

	2024	2023
	£'000	**£'000**
Wages and salaries	12,989	11,165
Non-Executive Directors' fees	413	341
Social security costs	1,491	1,258
Pension costs	1,128	1,020
Staff-related costs, including recruitment, training and travel	1,293	1,201
Interim staff and secondee fees	295	327
Premises	1,367	1,057
Consultancy fees	4,445	2,981
Marketing and events	1,276	621
Research	754	652
Audit fees	170	275
IT and website development costs	714	798
Legal and other professional fees	3,687	3,702
Amortisation of intangible assets (refer to note 8)	62	45
Depreciation of owned fixed assets (refer to note 9)	123	111
General and administrative expenses	569	570
Total administrative expenses	**30,776**	**26,124**
Treasury management fees	290	349
Total other expenses	**290**	**349**
Total administrative and other expenses	**31,066**	**26,473**

Amounts receivable by the group's auditors and their associates in respect of:	**2024**	**2023**
	£'000	**£'000**
Audit of these financial statements	43	43
Audit of financial statements of subsidiaries of the company	127	125
Other assurance services	18	107
Other non-audit services	70	-
	258	**275**

The Directors have agreed with the group's auditors that the auditors' liability to damages for breach of duty in relation to the audit of the group and company's financial statements for the year to 31 December 2024 will be limited to the greater of £5 million or five times the auditors' fees for the statutory audit and that, in any event, the auditors' liability for damages will be limited to that part of any loss suffered by the group and company as is just and equitable having regard to the extent to which the auditors, the group and company and any third parties are responsible for the loss in question. The shareholders approved this limited liability agreement, as required by the Companies Act 2006, by a resolution dated 26 July 2024.

Included in the administrative expenses above are staff costs totalling £16,316k (2023: £14,111k).

4 Administrative and other expenses (continued)

A breakdown of the total number of employees, including Directors, with annual remuneration of £60,000 or more and employed as at the period end is disclosed in the Directors' Report on page 17 above.

Average number of employees during the year	**2024**	**2023**
Access - The Foundation for Social Investment	12	10
Better Society Capital Limited	93	92
Fair4All Finance Limited	54	48
Oversight Trust - Assets for the Common Good	1	1
Youth Futures Foundation Limited	64	51
	224	**202**

5 Grant expenditure

	2024	**2023**
	£'000	**£'000**
Grant expenses	37,435	23,648
	37,435	**23,648**

Each of Access, Fair4Aall and YFF make grants to meet their strategic aims. Grants are recognised on an accruals basis for the full amount of the grant approved where payments due fall in future periods.

6 Directors' and key management personnel emoluments

The Trust incurred £57k (2023: £61k) in payments to directors for services rendered in the current year, £15k (2023: £18k) was outstanding at year end. Including employer's national insurance, £202k (2023: £198k) was paid to the key management personnel (including the non-executive directors) of the Group; no pension contributions were made during the current or prior years.

Disclosure of the remuneration paid to the Directors of the group's operating companies are disclosed in the individual financial statements of the operating companies which are publicly available from Companies House.

7 Tax on profit

	2024 £'000	2023 £'000
Analysis of charge/(credit) in period		
Current tax:		
- UK corporation tax on profits of the period	1,548	665
- Adjustments in respect of previous periods	(79)	(19)
	1,469	**646**
Deferred tax:		
- Origination and reversal of timing differences	5	7
	5	**7**
Tax charge on profit	**1,474**	**653**

Factors affecting tax charge for period

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

	2024 £'000	2023 £'000
Profit before tax	3,694	2,322
Standard rate of corporation tax in the UK	25.00%	23.52%
Profit before tax multiplied by the standard rate of corporation tax	924	546
Effects of:		
Losses relating to the group's charitable entities	1,604	1,813
Income not taxable and/or expenses not allowable for tax purposes	(2,176)	(4,883)
Capital allowances for period in excess of depreciation	(42)	(15)
Adjustments in respect of previous periods	(79)	(19)
Deferred tax – origination and reversal of timing differences	5	8
Unrecognised tax losses to carry forward	1,238	3,225
Movement in deferred tax not recognised	-	(22)
Total tax charge for period	**1,474**	**653**

8 Intangible assets

	Software development £'000
Cost	
At 1 January 2024 and 31 December 2024	**261**
Accumulated amortisation	
At 1 January 2024	130
Provided during the year	62
At 31 December 2024	**192**
Carrying amount	
At 31 December 2024	**69**
At 31 December 2023	131

9 Tangible assets

	Leasehold land and buildings £'000	Fixtures, fittings, tools and equipment £'000	Total £'000
Cost			
At 1 January 2024	**33**	**553**	**586**
Additions	-	236	**236**
Disposals	(33)	(116)	**(149)**
At 31 December 2024	**-**	**673**	**673**
Accumulated Depreciation			
At 1 January 2024	**24**	**368**	**392**
Charge for the year	9	114	**123**
Eliminated on disposal	(33)	(112)	**(145)**
At 31 December 2024	**-**	**370**	**370**
Carrying amount			
At 31 December 2024	**-**	**303**	**303**
At 31 December 2023	**9**	**185**	**194**

The Oversight Trust- Assets for the Common Good
Notes to the Financial Statements (continued)
10 Investments

	2024 £'000	2023 £'000
Social Impact Investment Portfolio		
At 1 January	420,949	399,411
Additions	62,548	75,460
Sale proceeds	(35,296)	(41,013)
Income distributions	(13,015)	(8,100)
Income accrued	12,583	7,605
Investment loss	(6,206)	(12,414)
At 31 December	**441,563**	**420,949**

The group holds 20% or more of the share capital of the following undertakings:

Investment name	Registered office address/principal place of business[1]	Class of shares held	BSC % as at 31 December 2024	Aggregate capital and reserves of the entity[2] £'000	Aggregate (loss)/profit for the year of the entity[2] £'000
Ada Ventures Soc I LP	United House 9 Pembridge Road London W11 3JY	Partnership interest	100.00	2,484	(301)
Ada Ventures Soc II LP	United House 9 Pembridge Road London W11 3JY	Partnership interest	100.00	580	(80)
BBRC Homes Limited	Desklodge House 2 Redcliffe Way Bristol BS1 6NL	Partnership interest	20.00	284	(216)
Bethnal Green Ventures LLP	63/66 Hatton Garden Fifth Floor Suite 23 London EC1N 8LE	Partnership interest	35.35	2,757	331
BGV Birdcage LP	63/66 Hatton Garden Fifth Floor Suite 23 London EC1N 8LE	Partnership interest	80.00	N/A[3]	N/A[3]
Big Issue Invest IV LP	113-115 Fonthill Road London N4 3HH	Partnership interest	30.00	122	(166)
Big Issue Invest Outcomes Investment Fund LP	113-115 Fonthill Road London N4 3HH	Partnership interest	85.00	4,006	(1,192)
Big Issue Invest Social Enterprise Investment Fund II LP	113-115 Fonthill Road London N4 3HH	Partnership interest	62.98	10,883	(1,113)
Bridges Evergreen BSC Housing Co-Investment LP	38 Seymour Street London W1H 7BP	Partnership interest	100.00	349	(5)

Bridges Evergreen Capital Limited Partnership	38 Seymour Street London W1H 7BP	Partnership interest	30.45	62,320	4,457
Bridges Social Impact Bond Fund LP	38 Seymour Street London W1H 7BP	Partnership interest	44.52	2,084	(14)
City Funds LP	Desklodge House 2 Redcliffe Way Bristol BS1 6NL	Partnership interest	50.00	7,438	(239)
CT UK Residential Real Estate FCP-RAIF	C/O Aztec Financial Services (UK) Limited Forum 4, Solent Business Park Parkway South Whiteley, Fareham Hampshire PO15 7AD	Registered shares	22.90	50	-
East End Fair Finance Limited	18 Ashwin Street Dalston London E8 3DL	Partnership interest	50.12	12	(595)
Eka Ventures 1 LP	Flat 1, Knaresborough House, 5-7 Knaresborough Place London SW5 0TN	Partnership interest	99.25	6,433	65
Fair By Design Venture Limited Partnership	10 Orange Street, Haymarket, London WC2H 7DQ	Partnership interest	40.86	17,347	249
Impact Ventures SA, SICAV-SIF	21-25, Allée Scheffer L-2520 Luxembourg	Registered shares	41.59	12,993	(6,220)
National Homelessness Property Fund Limited Partnership	The Great Barn, 5 Scarne Court, Hurdon Road, Launceston Cornwall PL15 9LR	Partnership interest	34.30	43,590	1,008
National Homelessness Property Fund 2 Limited Partnership	The Great Barn, 5 Scarne Court, Hurdon Road, Launceston Cornwall PL15 9LR	Partnership interest	22.88	59,134	(1,617)
Nesta Impact Investments 1 Limited Partnership	58 Victoria Embankment London EC4Y 0DS	Partnership interest	45.46	1,983	(270)
North East Social Investment Fund Limited Partnership	5th Floor, 27-35 Grainger Street Newcastle upon Tyne Tyne and Wear NE1 5JE, UK	Partnership interest	57.35	3,214	(7)

Octopus Affordable Housing Feeder Fund I LP	6th Floor, 33 Holborn London EC1N 2HT	Partnership interest	20.24	N/A[3]	N/A[3]
Public Services Lab LLP	Queens Insurance Building Suite 3a 24 Queen Avenue Liverpool L2 4TZ	Partnership interest	28.48	428	65
Resonance Everyone In Limited Partnership	The Great Barn, 5 Scarne Court, Hurdon Road, Launceston Cornwall PL15 9LR	Partnership interest	44.72	14,325	605
Resonance Supported Homes Fund Limited Partnership	The Great Barn, 5 Scarne Court, Hurdon Road, Launceston Cornwall PL15 9LR	Partnership interest	32.81	11,783	(62)
SASH Sidecar LP	4th Floor Phoenix House 1 Station Hill, Reading Berkshire RG1 1NB	Partnership interest	100.00	3,950	27
Schroder BSC Social Impact Trust	1 London Wall Place London EC2Y 5AU	Ordinary	27.31	86,459	1,049
Social and Sustainable Housing 2 LP	4th Floor Phoenix House 1 Station Hill, Reading Berkshire RG1 1NB	Partnership interest	51.80	57	(727)
Social Finance Care and Wellbeing Investments LLP	C/o Social Finance Limited, 87 Vauxhall Walk, London SE11 5HJ	Partnership interest	50.00	2,356	192
Social Growth Fund 2 LLP	3rd Floor 27 George Street Edinburgh EH2 2PA	Partnership interest	46.15	11,488	(150)
The Charity Bank Limited	Fosse House 182 High Street Tonbridge Kent TN9 1BE	Ordinary	51.06	396	7,837
The Community Investment Fund L.P.	4th Floor Phoenix House 1 Station Hill, Reading Berkshire RG1 1NB	Partnership interest	54.93	13,172	368
The Good Food Ventures LP	4th Floor, 20 Air Street London W1B 5DL	Partnership interest	29.92	1,124	(307)

The Third Sector Investment Fund LLP	4th Floor Phoenix House 1 Station Hill, Reading Berkshire RG1 1NB	Partnership interest	90.78	9,985	297
Women in Safe Homes Limited Partnership	The Great Barn, 5 Scarne Court, Hurdon Road, Launceston Cornwall PL15 9LR	Partnership interest	34.61	20,244	(232)
Zinc 2 VB LP	24 Old Bond Street London W1S 4AP	Partnership interest	50.44	2,994	(293)

The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 requires that:

[1] for unincorporated undertakings, the address of its principal place of business is stated.

[2] for all undertakings where the company's holding is 50% or greater, and for undertakings where the company's holding is 20% or greater and the undertaking is required by any provision of the 2006 Companies Act to deliver a copy of its balance sheet, the aggregate amount of the capital and reserves of the undertaking as at the end of its relevant financial year, and its profit or loss for that year is also stated.

[3] for undertakings for whom aggregate capital and reserves and profit or loss not available, as first financial year end falls after 31 December 2024.

11 Debtors

	2024 £'000	2023 £'000
Other debtors	175	131
Corporation tax recoverable	71	131
Prepayments	880	854
Accrued income	1,288	2,012
	2,414	**3,128**

12 Investments held as current assets

	2024 £'000	2023 £'000
Treasury Portfolio – cash deposits	244	1,797
Treasury Portfolio – listed debt securities	132,398	140,478
Treasury Portfolio – multi-asset investments	104,785	124,177
	237,427	**266,452**

Investments held as current assets, which include cash deposits, can be realised within one year, but not within 24 hours. Social bond/equity/multi-asset funds are open-ended investment companies and are held as part of the social impact investment allocation within the Treasury Portfolio.

13 Cash and cash equivalents

	2024 £'000	2023 £'000
Cash at bank	150,156	184,050
Current asset investments (maturity less than three months from the date of acquisition)	33,810	33,106
Cash and cash equivalents per statement of cash flows	**183,966**	**217,156**

As described in note 12, investments held as current assets can be realised within one year, but not within 24 hours. For cash flow purposes, those investments that have a maturity or period of notice of less than three months from the date of acquisition are included as cash and cash equivalents.

14 Creditors

	2024 £'000	2023 £'000
Amounts falling due within one year		
Trade creditors	828	794
Taxes and social security costs	294	290
Grants payable	10,958	6,397
Deferred income - National Lottery Community Fund	103,956	153,614
Deferred income – other	1,038	3,807
Other creditors	1,398	110
Accruals	1,926	3,693
	120,398	**168,705**
Amounts falling due after more than one year		
Accruals	4,512	2,454
Long term loans	2,000	-
Deferred income – other	21,756	22,704
	28,268	**25,158**

Reconciliation of movement regarding National Lottery Community Fund grant monies

	Access – Foundation for Social Investment **£'000**	**Fair4All Finance Limited** **£'000**	**Oversight Trust – Parent** **£'000**	**Youth Futures Foundation Limited** **£'000**	**Total** **£'000**
Deferred income at 1 January 2024	**31,625**	**98,229**	**706**	**23,054**	**153,614**
Grant monies received in 2024	-	1,500	-	-	**1,500**
Grant monies spent in 2024	(16,673)	(14,315)	(420)	(19,750)	**(51,158)**
Deferred income at 31 December 2024	**14,952**	**85,414**	**286**	**3,304**	**103,956**

Monies received by group entities for use in furthering their corporate objectives is initially credited to deferred income, before being released into the statement of comprehensive income when costs of furthering their corporate objectives are incurred.

15 Deferred taxation

	2024 £'000	2023 £'000
Accelerated capital allowances	20	15
Provision for deferred tax	**20**	**15**
Provision for liabilities		
At 1 January 2024	**15**	**8**
Charged to the statement of comprehensive income	5	7
At 31 December 2024	**20**	**15**

The group currently does not recognise a deferred tax asset on the tax losses carried forward, as there is no certainty of recovery. The unrecognised deferred tax asset on tax losses was £10m at 31 December 2024 (2023: £10.0m).

16 Financial risk management and financial instruments

Introduction

As described in the Strategic Report and the Directors' Report, starting on page 6 above, the Board of Better Society Capital is currently responsible for the majority of the investment activities of the group.

Each of the group operating companies is responsible for ensuring appropriate governance arrangements are in place (with additional oversight provided by the Trust). Each has established committee structures to manage key elements of its operations including an Audit and Risk Committee (or equivalent) to consider relevant matters including in relation to reviewing, managing and mitigating risk with regards to financial and other matters. Where appropriate additional committee structures consider the specific review and approval of investments which also consider related risk.

As described in the Strategic Report starting on page 6 above, the group's investments comprises a Social Impact Investment Portfolio and a Treasury Portfolio.

The Social Impact Investment Portfolio comprises listed and unlisted equity investments, direct and indirect loans and bonds, and investments in unlisted partnerships and other structures. All social investments held by Better Society Capital are approved by its Investment Committee (which has been delegated authority by the Board to operate within set parameters). Access' treasury portfolio is overseen by the Endowment Investment Committee (EIC), comprising two trustees and two external advisors. The EIC is responsible for the relationship with Access' 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. The Better Society Capital Investment Committee is chaired by the Better Society Capital CEO and comprises eight members with extensive investment experience, including the two Chief Investment Officers and two independent Board Directors.

The Treasury Portfolio comprises bank and building society cash deposits, certificates of deposits and listed and unlisted debt securities, and represents capital held before it is drawn down into social investment. The Treasury Portfolio operates using a socially responsible investment process.

The Oversight Trust- Assets for the Common Good
Notes to the Financial Statements (continued)
Categories of financial instrument

Financial instruments as at 31 December by category are shown below:

2024	Financial instruments measured at fair value through profit or loss £'000	Financial instruments measured at amortised cost £'000	Non-financial instruments £'000	Total £'000
Assets				
Tangible and intangible fixed assets	-	-	372	**372**
Fixed asset investments	402,154	39,409	-	**441,563**
Debtors	-	1,463	951	**2,414**
Investments held as current assets	116,899	120,528	-	**237,427**
Cash at bank and in hand	-	150,156	-	**150,156**
Liabilities				
Creditors	-	(21,900)	(126,766)	**(148,666)**
Deferred taxation	-	-	(20)	**(20)**
Non-controlling interest	-	-	(197,945)	**(197,945)**
	519,053	**289,656**	**(323,408)**	**485,301**

2023	Financial instruments measured at fair value through profit or loss £'000	Financial instruments measured at amortised cost £'000	Non-financial instruments £'000	Total £'000
Assets				
Tangible and intangible fixed assets	-	-	325	**325**
Fixed asset investments	387,781	33,168	-	**420,949**
Debtors	-	2,143	985	**3,128**
Investments held as current assets	140,084	126,368	-	**266,452**
Cash at bank and in hand	-	184,050	-	**184,050**
Liabilities				
Creditors	-	(13,738)	(180,125)	**(193,863)**
Deferred taxation	-	-	(15)	**(15)**
Non-controlling interest	-	-	(197,602)	**(197,602)**
	527,865	**331,991**	**(376,432)**	**483,424**

The financial instruments not accounted for at fair value through profit or loss are assets and liabilities whose carrying amounts at the period end approximate fair value.

*The group's other taxes and social security costs has been reclassified from the financial instruments measured at amortised cost category of Note 14 into non-financial instruments, to better reflect the nature of these amounts.

Gains and losses recognised in the statement of comprehensive income during the period to 31 December by category are shown below:

2024

	Financial assets measured at fair value through profit or loss £'000	**Financial derivatives measured at fair value £'000**	**Financial assets measured at amortised cost £'000**	**Other income and expenses £'000**	**Total £'000**
Income distributions from investment vehicles	6,731	-	-	-	6,731
Interest income	9,481	-	10,371	-	19,852
Fee and dividend income	2,274	-	-	-	2,274
Investment (losses)/gains	(11,277)	751	(845)	-	(11,371)
Income from grants and other resources	-	-	-	54,709	54,709
Administrative and other expenses	-	-	(290)	(68,211)	(68,501)
Tax on profit	-	-	-	(1,474)	(1,474)
	7,209	**751**	**9,236**	**(14,976)**	**2,220**

2023

	Financial assets measured at fair value through profit or loss £'000	**Financial derivatives measured at fair value £'000**	**Financial assets measured at amortised cost £'000**	**Other income and expenses £'000**	**Total £'000**
Income distributions from investment vehicles	4,073	-	-	-	4,073
Interest income	6,543	-	6,259	-	12,802
Fee and dividend income	1,058	-	-	-	1,058
Investment (losses)/gains	(9,102)	1,405	(924)	-	(8,621)
Income from grants and other sources	-	-	-	43,131	43,131
Administrative and other expenses	-	-	(349)	(49,772)	(50,121)
Tax on profit	-	-	-	(653)	(653)
	2,572	**1,405**	**4,986**	**(7,294)**	**1,669**

Credit risk

Credit risk is the risk of financial loss from a counterparty's failure to settle financial obligations as they fall due. The group is exposed to credit risk principally from debt securities held in Treasury Portfolio, loans and receivables in Social Impact Investment Portfolio and cash deposits.

Investments in unlisted partnerships and loans included in fixed asset investments are all social impact investments. Debt securities, showing as current asset investments, are held within the Treasury Portfolio. Cash deposits are held either for operational purposes or as part of the Treasury Portfolio. Cash deposits that can be withdrawn at any time without notice and without penalty or that have a maturity or period of notice of not more than 24 hours or one working day are shown as cash at bank and in hand, whereas all other deposits with a maturity of up to one year are shown as investments held as current assets.

Within Better Society Capital's listed debt securities section of the Treasury Portfolio, the company has set a maximum exposure limit for each counterparty. The treasury policy seeks to minimise the exposure to counterparties with perceived higher risk of default by specifying an average credit rating for the Portfolio. The Treasury Portfolio is managed externally and counterparty exposure limits and average credit rating are monitored by the external managers. Better Society Capital receives monthly treasury reports.

The group's maximum credit risk exposure at the Statement of Financial Position date is represented by the respective carrying amounts of the relevant financial assets in the Statement of Financial Position.

The group uses foreign exchange forward contracts to manage its exchange risk exposure from holdings of non-GBP-denominated financial assets. Collateral is exchanged on open foreign exchange forward contracts representing the unrealised gain (receipt of collateral by the company) or loss (pledge of collateral by the company) on a daily basis.

Credit risk arises from changes in the value of the open foreign exchange forward contracts being insufficiently covered by collateral received (to cover unrealised gains) if the counterparty to the contract does not complete the exchange of currency on the contracted settlement date. This is mitigated by utilising standard credit support agreements with a limited number of mainstream financial institutions and reliance upon the collateral management processes at the investment manager.

Credit risk exposure as at the Statement of Financial Position date comprises:

	2024	**2023**
	£'000	**£'000**
Fixed asset investments	441,563	420,949
Other debtors	175	131
Accrued income	1,288	2,012
Multi-asset investments – Investments held as current assets	104,785	124,177
Cash deposits – Investments held as current assets	244	1,797
Listed debt securities	132,398	140,478
Cash deposits – Cash at bank and in hand	150,156	184,050
Maximum exposure to credit risk as at the Statement of Financial Position date	**830,609**	**873,594**

As at 31 December 2024, Cash at bank and in hand and Investments held as current assets were held at institutions rated as follows by Standard & Poor's Investor Services:

	Rating	2024 £'000	2023 £'000
Social bond/equity/multi-asset funds investments	AAA	19,003	31,109
Multi-asset investments	Not rated	85,782	93,068
Listed debt securities	AAA	5,115	6,843
Listed debt securities	AA	26,308	12,999
Listed debt securities	A	44,741	46,265
Listed debt securities	BBB	40,700	49,976
Listed debt securities	BB	-	416
Listed debt securities	Not rated	6,638	14,723
Unlisted debt securities	Not rated	8,896	9,256
Cash deposits – Investments held as current assets	Not rated	244	1,797
Cash deposits – Cash at bank and in hand	A-1	150,156	184,050
		387,583	**450,502**

Liquidity risk

Liquidity risk is the risk that cash may not be available to pay obligations. The group's policy is to ensure it has sufficient funds to fulfil liabilities as they fall due, including investment commitments approved by BSC's Investment Committee, Access's Endowment Investment Committee, Youth Futures' Audit, Finance and Investment Committee, and Fair4All's Finance, Grants and Investments Committee. See Note 22 – Capital commitments, for details of investment commitments.

The group's financial assets include loans, unlisted equity investments, investments in unlisted partnerships and other private asset vehicles, which are generally illiquid.

The group's investments in listed debt securities are considered to be readily realisable as they are actively traded. All cash deposits held as current assets have a maturity of less than 12 months. The group's overall liquidity is monitored on a daily basis. The group expects to receive quarterly capital inflows to meet its social impact investment commitments and other obligations.

An analysis of contractual creditor balances, by maturity, is shown below:

2024	**Carrying amount* £'000**	**Contractual cash flows £'000**	**Below 1 year £'000**	**Above 1 year £'000**
Creditors: amounts falling due within one year	5,190	5,190	5,190	-
Creditors: amounts falling due after more than one year	6,512	6,512	-	6,512
	11,702	**11,702**	**5,190**	**6,512**

2023	**Carrying amount* £'000**	**Contractual cash flows £'000**	**Below 1 year £'000**	**Above 1 year £'000**
Creditors: amounts falling due within one year	10,994	10,994	10,994	-
Creditors: amounts falling due after more than one year	2,454	2,454	-	2,454
	13,448	**13,448**	**10,994**	**2,454**

*This excludes deferred income

The creditors due after more than one year relates to the future payment of grants to social sector organisations according to a variety of scheduled payment plans.

Market risk

Market risk is the risk that changes in market prices, such as interest rates and credit spreads (not relating to changes in the issuer's credit standing) will affect the group's income or the fair value of its holdings of financial instruments. A theoretical fluctuation in asset prices of +/- 10% would result in a movement in returns of +/- £55.9 million (2023: £68.6 million).

The group has interest rate exposure. The group currently has £387,583k (2023: £450,502k) in cash or current asset investments that earn interest at a variety of rates. Any reduction in interest rates will reduce the interest income on these deposits. A reduction of interest rates by 1% would result in a reduction in returns of £3,876k (2023: £4,505k).

Foreign exchange risk

The group is exposed to foreign currency risks on assets and liabilities as a result of changes in exchange rates. The group invests in foreign currency denominated bonds through its Treasury Portfolio and a foreign currency denominated fund in the Social Impact Investment Portfolio, and so has foreign currency risk exposure on those assets. The group mitigates the risk on the bonds by putting in place matching currency forward derivative contracts. When a foreign currency denominated bond is purchased a spot trade and a forward are executed, and these are rolled forward every three months. The spot trade buys foreign currency and sells GBP (originally to fund the bond purchase) and a new forward contract is then executed to sell foreign currency and buy GBP, creating a foreign currency liability that offsets the investment. Currently the size of the group's investment in the foreign currency denominated fund is too low for a similar process to be cost-effective due to the associated fees; the fund also holds GBP denominated assets which partially mitigate the exposure. The exposure continues to be monitored and the group has the ability to implement a similar procedure to the bonds when/if required. A 10% movement in foreign exchange rates would result in a £1.5 million movement in returns (2023: £1.0 million).

Regulatory risk

Better Society Capital is authorised and regulated by the FCA. It is required to regularly assess the amount of capital needed for operations and will hold liquid capital in excess of this amount.

Better Society Capital has, at all times during the period under regulatory supervision, held sufficient capital to meet its regulatory capital requirement.

17 Valuation of financial instruments

The determination of fair value for basic financial instruments for which there is no observable market price requires the use of valuation techniques as described in Note 1 – Summary of significant accounting policies, financial instruments – iii.) Fair value measurement.

The group uses a three-level hierarchy for fair value measurement disclosure, as follows:

<u>Level 1</u>

The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

<u>Level 2</u>

Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3

Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

In determining a fair value using Level 3 valuation techniques, the group applies the principles included in the International Private Equity and Venture Capital Valuation Guidelines (2022 Edition). A variety of valuation techniques are utilised as set out in the accounting policy note - Basic financial instruments.

The fair value hierarchy of financial assets and liabilities held at fair value as at 31 December can be analysed as follows:

	2024 £'000	2023 £'000
Level 1		
Investments held as current assets	116,899	140,084
Fixed asset investments	26,665	29,055
Level 3		
Fixed asset investments	375,489	358,726
	519,053	**527,865**

Level 3 financial assets held at fair value through profit or loss:

	Level 3 Financial assets held at fair value through profit or loss	
	2024 **£'000**	**2023** **£'000**
Balance at 1 January	**358,726**	**340,355**
Purchases	49,612	64,272
Sales	(40,481)	(41,466)
Total investment returns	7,632	(4,435)
Balance at 31 December	**375,489**	**358,726**

All Level 3 financial assets held at fair value are investments held within the Social Impact Investment Portfolio.

18 Consolidated analysis of changes in net debt

	1 January 2024 £'000	Cash flows £'000	31 December 2024 £'000
Cash and cash equivalents	217,156	(33,190)	183,966

19 Retirement benefit schemes

	2024 £'000	2023 £'000
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	**1,128**	**1,020**

Defined contribution pension schemes are operated for all qualifying employees in each individual company. The assets of the schemes are held separately from those of the group in independently administered funds. At the reporting date, contributions amounting to £74k (2023: £58k) were payable by the group to the funds.

20 Profit and loss account

	2024
	£'000
At 1 January 2024	**483,424**
Profit for the financial year	1,877
At 31 December 2024	**485,301**

Cumulative profit and loss net of distributions to owners.

21 Non-controlling interest

	2024
	£'000
At 1 January 2024	**197,602**
Profit in subsidiaries for the financial year	343
At 31 December 2024	**197,945**

The non-controlling interest arises in respect of a 31.53% interest in Better Society Capital Limited not held by the company.

22 Capital commitments

The group recognises investments and potential investments at two distinct stages of the investment process:

Investments signed and commitment outstanding

Legal agreements are completed and signed and funds (in total or partial) have been drawn down. The amounts drawn down are recognised as financial assets in the Statement of Financial Position, and the balance of the commitment is disclosed below.

In-principle commitments not yet signed

The commitment has been approved in principle by the group's various investment committees; legal agreements and deal terms are in the process of being prepared. These are not recognised within the Statement of Financial Position, but are disclosed below.

As at 31 December, on the above bases capital commitments were as follows:

	2024	**2023**
	£'000	**£'000**
Investments signed, commitments outstanding	163,290	137,743

	2024	**2023**
	£'000	**£'000**
In-principle commitments not yet signed	22,000	30,250

23 Other financial commitments

At the reporting date, the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows;

	Land and buildings 2024 £'000	**Land and buildings 2023 £'000**
Within one year	190	467
Later than one year and not later than five years	178	330
	368	**797**

During the year, the group incurred expenditure in relation to operating leases amounting to £559k (2023: £1,163k).

24 Related party transactions

During the year, Better Society Capital Limited incurred £12k of costs (2023: £10k) on behalf of the Trust for which it was reimbursed. The amount outstanding to Better Society Capital Limited was £12,000 at 31 December 2024 (31 December 2023: £nil).

Additionally, during the year Access – The Foundation for Social Investment, being a member of the Trust group, paid £78k (2023: £78k) to Better Society Capital Limited, in respect of a licence fee for the use of its offices. As at 31 December 2024 there was an outstanding balance of £7k (2023: £nil). The transactions were made on terms equivalent to those that prevail in arm's length transactions.

The wife of Sir Stuart Etherington, the chair of the Trust, was an equity partner with Bates Wells Braithwaite London LLP (Bates Wells), which provides legal services to the Trust. The Trust had a policy in place to avoid any potential conflicts of interest arising by ensuring that any decision to enter into a new business relationship with Bates Wells Braithwaite LLP was approved by a Director other than the Chair and payment of any fees charged by Bates Wells would be approved by Directors other than the Chair. Professional fees of £12k (2023: £14k) were charged by Bates Wells to the Trust during the year for legal advice. The wife of Sir Stuart Etherington resigned from her position at Bates Wells on 31 March 2023.

Directors' and senior management emoluments are disclosed in Note 6 – Directors' and key management personnel emoluments, and in the Directors' Report starting on page 17.

25 Presentation currency

The financial statements are presented in sterling.

26 Legal form of entity and country of incorporation

The Oversight Trust - Assets for the Common Good is a limited company incorporated in England.

27 Events after the reporting date

There have been no significant events to disclose since the reporting date.

28 Principal place of business

The address of the company's principal place of business and registered office is:

Script
44 Featherstone Street
London
United Kingdom
EC1Y 8RN

The Oversight Trust- Assets for the Common Good
Company Annual Report and Financial Statements

The Oversight Trust- Assets for the Common Good
Company Statement of Comprehensive Income

For the year ended 31 December 2024

	2024 £'000	2023 £'000
Income from grants	434	8,432
Total Revenue	**434**	**8,432**
Administrative and other expenses	(434)	(432)
Profit before taxation	**-**	**8,000**
Tax on profit	**-**	-
Result/profit for the financial year and total comprehensive income for the year	**-**	**8,000**

There is no other comprehensive income

The notes on pages 61 to 64 form part of these financial statements

The Oversight Trust- Assets for the Common Good

Company Statement of Financial Position

As at 31 December 2024

	Notes		2024 £'000		2023 £'000
Fixed assets					
Investments	**2**		434,345		434,345
			434,345		**434,345**
Current assets					
Cash at bank and in hand		364		780	
Creditors: amounts falling due within one year	**3**	(364)		(780)	
Net assets			**434,345**		**434,345**
Capital and reserves					
Profit and loss account	**4**		434,345		434,345
Total equity			**434,345**		**434,345**

The notes on pages 61 to 64 form part of these financial statements.

The financial statements on pages 58 to 64 were approved by the Board on 23 July 2025 and signed on its behalf by:

Sir Stuart Etherington

Chair

Company registration number: 07611016

The Oversight Trust- Assets for the Common Good

Company Statement of Changes in Equity

For the year ended 31 December 2024

	Profit and loss account £'000	Total £'000
At 1 January 2023	**426,345**	**426,345**
Profit for the financial year	8,000	8,000
At 31 December 2023	**434,345**	**434,345**
At 1 January 2024	**434,345**	**434,345**
Result for the financial year	-	-
At 31 December 2024	**434,345**	**434,345**

The notes on pages 61 to 64 form part of these financial statements.

The Oversight Trust- Assets for the Common Good

Notes to the Company Financial Statements

For the year ended 31 December 2024

1 Summary of significant accounting policies

Basis of preparation

The financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and groups (Accounts and Reports) Regulations 2008.

The financial statements have been prepared under the historical cost convention.

The company's functional currency is pounds sterling, and the financial statements are rounded to the nearest thousand pounds.

Reduced disclosures

The individual financial statements of the company are included in these consolidated financial statements and in accordance with FRS 102, the company has taken advantage of the exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures; and
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

Going concern

The financial statements have been prepared on the going concern basis. The Trust has built cumulative reserves in the profit and loss account since inception of £434,345k. It held cash of £364k at year end which is enough to cover its outstanding commitments at year end. The Trust is funded by allocations from Dormant Assets of up to £500k each year. The Trust holds reserves equal to approximately 6 months' operating costs and so, together with the funding commitment from government, there is minimal risk to the continuing operations of the Trust for the foreseeable future. For this reason, the Directors have adopted the going concern basis in preparing these financial statements.

Recognition of grants from the National Lottery Community Fund (NLCF)

Grants received under Funding Agreements from the NLCF – being a public body – are included within deferred income in the Statement of Financial Position. Where costs that are not capitalised are incurred, NLCF grant funding is credited to the statement of comprehensive income in the period in which the related costs are incurred. Where costs that are capitalised are incurred, NLCF grant funding is credited to the statement of comprehensive income in the period in which the related costs are capitalised.

Fixed asset investments

In the individual financial statements of the company, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss. A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Financial instruments

i. Recognition and initial measurement

Financial liabilities measured at amortised cost are recognised initially at transaction price and subsequently at amortised cost, being transaction price less any amounts settled and any impairment losses as assessed below.

ii. Classification

The company classifies its basic financial instruments into the following categories:

Financial liabilities at amortised cost

Accruals are measured at amortised cost.

Use of judgements and estimates

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods. The directors consider there to be no critical estimates or areas of judgement.

2 Investments

	Total £'000
Cost and net book value	
At 1 January 2024	**434,345**
Additions	-
At 31 December 2024	**434,345**

The company holds 20% or more of the share capital of the following companies:

Company	**Class of shares held**	**Principal place of business**	**%**	**Capital and reserves £'000**	**(Loss)/ profit for the financial year £'000**
Access - The Foundation for Social Investment	N/A	Script, 44 Featherstone London, EC1Y 8RN	100	21,530	(6,413)
Better Society Capital Limited	Ordinary A shares	Script, 44 Featherstone London, EC1Y 8RN	68	627,871	1,089
Fair4All Finance Limited	N/A	16 – 18 Middlesex, 3rd Floor, London, E17 EX	100	44,910	-
Youth Futures Foundation Limited	N/A	8-10 Grosvenor Gardens, London SW1W 0DH	100	-	-

Better Society Capital Limited (BSC) is a company limited by shares with capital comprising “A” shares, held by the Trust, and “B” shares, held by the four shareholding banks.

To enable it to carry out its role, the Trust has a controlling interest in BSC. It controls a minimum of 80% of the voting rights at shareholders’ meetings. For important issues, such as any change to the company’s Articles concerning its objects or powers, a consensus vote by the Trust Board is required.

Access - The Foundation for Social Investment, Fair4All Finance Limited and Youth Futures Foundation Limited are each a company limited by guarantee. The Trust is the sole member of each and has guaranteed the £1 capital of each company.

3 Creditors: amounts falling due within one year

	2024	2023
	£’000	£’000
Accruals	78	74
Deferred income	286	706
	364	**780**

Deferred income comprises the portion of the National Lottery Community Fund grant that has been retained for the payment of future expenditure.

4 Profit and loss account

	2024	2023
	£’000	£’000
At 1 January	434,345	426,345
Profit for the financial year	-	8,000
At 31 December	**434,345**	**434,345**

5 Related party transactions

During the year, the company purchased £nil (2023: £8m) of £1 Ordinary A shares in Better Society Capital Limited. During the year, Better Society Capital Limited incurred £12k of costs (2023: £10k) on behalf of the Trust for which it was reimbursed. No amount was outstanding at the current or comparative reporting date.

The wife of Sir Stuart Etherington, the chair of the Trust, was an equity partner with Bates Wells Braithwaite London LLP (Bates Wells), which provides legal services to the Trust. The Trust had a policy in place to avoid any potential conflicts of interest arising by ensuring that any decision to enter into a new business relationship with Bates Wells Braithwaite LLP was approved by a Director other than the Chair and payment of any fees charged by Bates Wells would be approved by Directors other than the Chair. Professional fees of £12k (2023: £14k) were charged by Bates Wells to the Trust during the year for legal advice. The wife of Sir Stuart Etherington resigned from her position at Bates Wells on 31 March 2023.

6 Presentation currency

The financial statements are presented in Sterling.

7 Legal form of entity and country of incorporation

The Oversight Trust - Assets for the Common Good is a limited company incorporated in England.

8 Events after the reporting date

There have been no significant events to disclose since the reporting date.

9 Principal place of business

The address of the company's principal place of business and registered office is:

Script
44 Featherstone Street
London
United Kingdom
EC1Y 8RN