

Registered number  
07611016

The Oversight Trust –  
Assets for the Common Good  
(formerly The Big Society Trust)  
Report and Financial Statements  
31 December 2020

# The Oversight Trust- Assets for the Common Good (formerly The Big Society Trust) Report and Financial Statements

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# The Oversight Trust- Assets for the Common Good (formerly The Big Society Trust) Company Information

## Directors

Sir Stuart Etherington <sup>(1,2)</sup> (also Chair from 9 June 2020)  
Robin Budenberg CBE (until 17 Sept 2020, Acting Chair from 21 Nov 2019 to 9 June 2020)  
Nicola Pollock <sup>(2,3)</sup> (also Senior Independent Director from 19 Nov 2020)  
Joanna Fox <sup>(1)</sup> (Government Appointee)  
Stephen Howard LVO <sup>(1,3)</sup>  
Peter Holbrook CBE (until 17 Sept 2020)  
Ian Hughes <sup>(2)</sup> (National Lottery Community Fund Appointee)  
Clara Barby (from 17 Sept 2020)  
Kevin Davis (from 17 Sept 2020)  
Helen England (from 17 Sept 2020)  
Andrew Rose (from 17 Sept 2020)

<sup>(1)</sup> Member of the Nominations and Remuneration Committee

<sup>(2)</sup> Member of the Core Governance Review Team

<sup>(3)</sup> Member of the Quadrennial Review Team

## Company Secretary

Alastair Ballantyne

## Auditor

KPMG LLP  
15 Canada Square  
London  
E14 5GL

## Banker

HSBC plc  
69 Pall Mall  
London  
SW1Y 5EY

## Registered office

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

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# The Oversight Trust- Assets for the Common Good (formerly The Big Society Trust) Chair's Statement

## Introduction

2020 will be remembered as the year Covid-19 became a global pandemic. The on-going effects of the pandemic and preparing for the subsequent recovery phase have been major factors in the planning and strategies of the Oversight Trust group's operating companies – particularly in light of the Government's recognition of the contribution the group could make to the response to the crisis. In May 2020, the Secretary of State for Digital, Culture Media and Sport (DCMS) announced the accelerated unlocking of further dormant account monies for the operating companies.

Operationally, the group was able to respond swiftly to the crisis by adopting remote working practices.

## Changes to the Oversight Trust

For the Oversight Trust (the Trust), 2020 was the first full year in which it assumed responsibility for the oversight of its four operating companies:

- Big Society Capital Limited in which the Trust is the majority shareholder;
- Access – the Foundation for Social Investment (Access) a charity and a company limited by guarantee in which the Trust is the sole Member;
- Fair4All Finance Limited – a company limited by guarantee in which the Trust became sole Member in December 2019;
- Youth Futures Foundation Limited (Youth Futures) – also, a company limited by guarantee in which the Trust became sole Member in December 2019.

The operations of the Trust changed considerably in 2020 under the group's new governance structure established at the end of 2019 (outlined in the Governance Agreements signed with each operating company) and changes to the composition of the Trust's Board of Directors.

Under the new arrangements, the Trust receives a formal annual Statement of Assurance from each operating company that dormant account funding has been used for the purpose that was intended and that the company has appropriate leadership, systems, processes and policies in place. The Trust will then make a similar assurance to the National Lottery Community Fund (NLCF) with whom each of the operating companies has a funding agreement to provide it with financial resources.

The structure of the oversight process has been codified:

- Operating companies are reviewed at quarterly Board meetings, with a specific focus on each company once a year (Deep Dive).
- There are also annual Governance Reviews with representatives of the Board of each operating company reviewing issues including: Accounting, Remuneration, Impact and Equity, Diversity and Inclusion.
- In addition to on-going regular contact through Link Directors for each operating company, there is a formal annual meeting between the Trust Chair and each operating company Chair to discuss any particular governance issues of concern to either party.
- The Trust also commissions a Quadrennial Review of each operating company's effectiveness (one in turn each year). The Review is conducted by an independent Review Panel with defined terms of reference.

# The Oversight Trust- Assets for the Common Good (formerly The Big Society Trust) Chair's Statement (continued) Quadrennial Review

The first Quadrennial Review was conducted on Big Society Capital. It was completed during the spring/summer of 2020 in the challenging environment of the first UK lockdown restrictions. We very much appreciate the engagement of over 50 stakeholders who were interviewed by the Review Panel and those others who made submissions. The Panel's Report was published at the end of July 2020 together with a communication from the Oversight Trust and a detailed response from Big Society Capital. An action plan was developed by Big Society Capital to address issues raised in the Review and on-going actions have been incorporated into the company's 2021 Business Plan.

## Trust Operations

Operations of the Trust had historically been managed by staff employed by Big Society Capital. In April 2020 the Trust appointed a Chief Operating Officer and established independent operations (with Big Society Capital continuing to provide support from its Finance Team for the operation of financial processes and systems and the preparation of Management accounts data and group consolidated accounts).

In August 2020 "The Oversight Trust – Assets for the Common Good" was registered as the new name of the company. The Board took the decision to replace the previous name of the company ("The Big Society Trust") in order to more appropriately reflect its broadened responsibilities.

## Dormant Assets

The Queen's Speech in May 2021 mentioned that the Government intends to extend the Dormant Assets Scheme to cover other areas of finance besides bank and building society accounts. Under the Dormant Assets Bill, that had its second reading in Parliament on 19 May 2021, it is proposed that the existing Dormant Accounts processes will also be covered by the new arrangements. We will be working closely with DCMS as the Bill progresses in the coming months.

## Financials

The 2020 financials reflect the continuing operations of Big Society Capital and Access and the first full year of operation of Fair4All Finance and Youth Futures.

The group reports total comprehensive income of £56.7m, of which £55.6m is attributable to the Trust. £45m of group income arises from the grant of dormant accounts funds to the Trust, enabling it to subscribe for shares in Big Society Capital. This is a capital grant recognised in income in the Trust, and is not taxable. A further £7.4m arises from sums advanced by Fair4All Finance in respect of investments. These investments were made from Fair4All Finance's receipt of dormant accounts funds. Net profit for Big Society Capital (£3.6m) and Access (£0.7m) make up the remainder of group comprehensive income.

The Government announced in May 2020 that £150m of dormant accounts would be released by the Reclaim Fund Ltd (RFL). This was both earlier and higher in value than anticipated and enabled £71m of additional commitments to be made (to Access and Fair4All Finance) over and above the existing commitments for organisations within the group.

## Board

Various changes were made to the Trust's own governance structures in 2020 including the appointment of Nicola Pollock as the Senior Independent Director and Stephen Howard became Chair of the restructured Nominations and Remuneration Committee. In addition, the role of Link Director was formalised. Each of the four new Board Directors appointed in September 2020 became a Link Director to keep in close contact with a particular Operating Company: Clara Barby for Big Society Capital; Kevin Davis for Access; Helen England for Youth Futures; and Andrew Rose for Fair4All Finance.

# The Oversight Trust- Assets for the Common Good (formerly The Big Society Trust) Chair's Statement (continued)

I would like to take this opportunity to thank the Trust Board for their engagement to help steer the company during this challenging period and, in particular, Robin Budenberg (who acted as Chair until 9 June 2020) for his leadership and vision most evident in designing and establishing the new organisational structure. I would also like to thank Peter Holbrook who stepped down from the Board after serving a full nine-year term (since The Big Society Trust's inception in 2011). He made an invaluable contribution to Board discussions and decision making with characteristic enthusiasm. We were very sorry to see them go.

Finally, on behalf of the Board, I would like to thank Alastair Ballantyne, who has brought his considerable skills and knowledge to his role as Chief Operating Officer and Company Secretary.



Sir Stuart Etherington

Chair

# The Oversight Trust- Assets for the Common Good (formerly The Big Society Trust) Strategic Report

## Principal Objectives and Strategy of the Trust

The group comprises the Trust and its subsidiaries: Big Society Capital Limited, Access - The Foundation for Social Investment (Access), Fair4All Finance Limited and Youth Futures Foundation Limited (Youth Futures). These four companies are collectively referred to as the operating companies or “OpCos”.

The Trust is a company limited by guarantee.

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 Big Society Capital with the aim of ensuring that Big Society Capital remains true to its object,
  - 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 Finance; and
- promote the needs of young people by acting as the sole company law member and providing oversight of Youth Futures.

\*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.

The strategy of the Trust is to perform its oversight role as effectively as possible within the budgeted funds provided. It works closely with other stakeholders including the OpCos, DCMS and 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.

## Group Governance Arrangements

The strategy of each of the OpCos in the Trust 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 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 UK company law.

# The Oversight Trust- Assets for the Common Good (formerly The Big Society Trust) Strategic Report (continued)

Access, Fair4All Finance 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. Big Society Capital 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 changes to an OpCo's Articles concerning its Objects and Powers, a consensus vote (as defined in the Trust's Articles) 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.

## Group Funding

The Trust is funded with monies released from dormant accounts under the Dormant Bank and Building Society Accounts Act 2008. The reclaim body that manages these funds is the Reclaim Fund Limited (RFL). Funds are transferred from RFL to the National Lottery Community Fund (NLCF) for distribution. Prior to 2019, the Trust received all of the English allocation of these monies: to invest as equity in Big Society Capital; to provide as a grant to Access; and to cover the Trust's operating costs.

Prior to the financial year ended December 2020, Big Society Capital had received equity capital from the Trust of £381m. Big Society Capital had also received £200m from its shareholder banks (Barclays, HSBC, Lloyds Banking Group and NatWest Group) for investment across the UK.

Access is primarily funded via a £60.7m endowment from the Department for Digital, Culture, Media and Sport (DCMS). This endowment will be spent over the next six years in the delivery of Access' programmes.

In 2019 Fair4All Finance and Youth Futures were established with funding agreements to receive a total of £55m and £90m respectively to deliver their programmes of work. By the end of December 2019 they had drawn-down £31.4m and £45.9m respectively.

In response to the financial impacts on the sector of Coronavirus, Government, working with RFL, were able to release further dormant accounts funding earlier than anticipated. This enabled the Oversight Trust to subscribe for further shares (£45m) in Big Society Capital representing the balance of the original commitment to funding to be made available. Fair4All Finance were able to receive the balance of their initial commitment, although this was not drawn down until after the year end, and Youth Futures were able to draw down £10m by way of a further instalment. Additionally, new commitments were also enabled through the funds released with Access being allocated £30m and Fair4All Finance an additional £41m. Not all of these funds had been drawn down by 2020 year end.

## OpCos' Principal Objectives and Strategy

### Big Society Capital

Big Society Capital's overriding purpose is to improve the lives of people in the UK, through investment with a sustainable return.

It works with expert partners to understand people's needs, then using its knowledge and capital, collaborates and invests with fund managers and social banks who share that purpose. They, and the social enterprises and charities they invest in, create the impact. Big Society Capital's role is to bring the most relevant experts to the table, generating ideas and connecting capital to where it's most needed.

# The Oversight Trust- Assets for the Common Good (formerly The Big Society Trust) Strategic Report (continued)

## Big Society Capital's Strategic Objectives

Big Society Capital's five strategic objectives cascade from this strategy and purpose, as set out below.

Big Society Capital supports and invests in innovative models which use social impact investment:

1. To enable those in most need to live in affordable, safe and secure homes.
2. To strengthen communities in disadvantaged areas and build local solutions that improve people's lives.
3. To help improve people's lives by tackling problems at an earlier stage.

Big Society Capital seeks:

4. To build and sustain a successful social impact investment market.
5. To grow Big Society Capital's impact, effectiveness, sustainability and reputation.

## Access – the Foundation for Social Investment

Access works to make charities and social enterprises in England more financially resilient and self-reliant, so that they can sustain or increase their impact. It does this through supporting the development of enterprise activity to grow and diversify income, improving access to the social investment which can help stimulate that enterprise activity, and sharing the learning from how these programmes work. Access has three main strands to its work:

1. **Capacity Building:** Funding a broad range of activities in partnership with other foundations, social investors, sector infrastructure bodies and enterprise advisors. This supports the aim to help charities and social enterprises earn more of their own income through enterprising activity.
2. **Blended Finance:** Managing and promoting blended finance models, including the Growth Fund, which bridge the gap between charities and social enterprises on one side and social investors on the other.
3. **Listening, Learning and Sharing Knowledge:** Learning from its programmes and the needs of the sector to influence the future work of Access and others.

In addition to these three core activities, Access seeks to achieve social impact in everything it does taking a "Total Impact" approach including how investments with a return increase opportunities over time.

## Fair4All Finance

Fair4All Finance's vision is of 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 through improving 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 Finance's Strategic Priorities:

1. **Expand the provision of affordable credit** through a scaled community finance sector – setting best practice standards on the way.
2. **Partner with banks and financial services providers** to support the delivery of products and services for customer in vulnerable circumstances.

# The Oversight Trust- Assets for the Common Good (formerly The Big Society Trust) Strategic Report (continued)

3. **New product and market development** – develop and scale financial products and services to address market gaps

Fair4All Finance invests in organisations focused on providing financial products and services to people who are otherwise excluded from access to fair and affordable provision. 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 Finance’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. Products and services that are attractive to and meet the needs of all customers, regardless of their situation or where they live.

## Youth Futures Foundation

Youth Futures was established to address the high levels of youth unemployment in England, particularly for young people facing disadvantage or discrimination. The need to address youth unemployment has become more urgent as a result of the Covid pandemic.

Youth Futures’ vision is to create a society where all young people have equitable access to good quality jobs.

Its mission is to narrow the employment gap by identifying what works and why, investing in evidence generation and innovation, and generating new ideas that change behaviour and practice.

Youth Futures’ primary beneficiaries are young people aged 14-24 who face personal or systemic barriers to progressing into meaningful work, including:

- ethnic minorities, particularly those most at risk of facing disparities in the labour market
- those who are at economic disadvantage because of caring responsibilities
- people with special educational needs or who have disabilities or experience of school exclusion
- those with experience of homelessness
- people with a mental health or long-term health condition
- those with experience of problem substance use.

### Youth Futures’ strategic priorities

Youth Futures wants to tackle the root causes of youth unemployment for young people from marginalised backgrounds and to do that it will focus on three priorities:

1. Working in partnership with organisations, policymakers and young people to address structural and systemic barriers in the youth employment system.
2. Creating opportunities with employers to recruit and retain more young people from marginalised backgrounds.
3. Building capacity with practitioners to support and train more young people from marginalised backgrounds to be ready for work.

## The Trust’s Principal Risks and Uncertainties

The principal risks facing the Trust as a company have been identified by the Board as:

# The Oversight Trust- Assets for the Common Good (formerly The Big Society Trust) Strategic Report (continued)

1. Changes to Government policy related to the Dormant Assets Bill
2. The Governance Framework setting out how the Trust works with each OpCo is not adhered to
3. Breakdown of relationship or co-operation with one or more OpCos (thereby limiting the cohesive response to dormant accounts funding in England)
4. Major reputational issue resulting in a loss of confidence
5. Major un-budgeted loss by an OpCo, leading to a loss of confidence in the group, an OpCo or the dormant accounts programme more widely

These issues could result in a loss of confidence by stakeholders and a change in the funding direction of the Secretary of State at DCMS to NLCF to continue to provide on-going funding to the Trust.

Mitigation against these risks includes maintaining close contact with DCMS on the Dormant Assets Bill as it progresses; ensuring strict adherence to the processes established for oversight; and the close monitoring of OpCos with the appointment of a Link Director for each OpCo to identify any emerging problems early.

Each of the OpCos has established risk management systems including a Risk Register, identifying major risks and mitigations, that is regularly reviewed by its Board.

Key risks identified by OpCos include:

1. External risks: such as those associated with factors relating to the recovery from the Covid19 pandemic and the resulting changes to the economic and political landscape, and other macro factors such as responses to climate change and other public policy issues (including changes to regulation).
2. Strategic risks: including long-term legacy considerations, failure to deliver impact and the possibility of financial and impact losses from investments.
3. Reputational risks: involving a loss of confidence among stakeholders.

An assessment of the risks of each OpCo is set out in more detail in each of their annual reports.

## Group financial performance

The consolidated Financial Statements are set out on pages 29 to 58 below. The group's Consolidated Statement of Comprehensive Income for the year is shown on page 29 below.

As described above, Big Society Capital has been set up with equity capital derived from dormant bank accounts managed by RFL. RFL passes available funds to NLCF and, in respect of funds directed for the benefit of Big Society Capital, grants the funds to the Oversight Trust for investment in share capital. At Big Society Capital's launch, it was expected that the Oversight Trust's shareholding would grow to £400m. In 2018, additional capital of up to £25m from dormant bank accounts was announced, and during 2020, the Trust subscribed £45m into the company, the final portion of envisaged equity capital that had not been previously drawn. Big Society Capital has also received an equity investment of £200m from the shareholder banks (Barclays, HSBC, Lloyds Banking Group and Natwest Group). The shareholder banks hold the minority interest shown in these financial statements, each bank's individual shareholding is limited to not more than 10% of the outstanding paid-in capital. Big Society Capital is a financial institution authorised by the Financial Conduct Authority.

As the Trust is the sole member of Access, Fair4All Finance and Youth Futures, 100% of their assets, liabilities, income and expenses are included within the group's consolidated accounts.

# The Oversight Trust- Assets for the Common Good (formerly The Big Society Trust) Strategic Report (continued)

The group's investment portfolio is made up of a Social Impact Investment Portfolio and a Treasury Portfolio. The group's Social Impact Investment Portfolio comprises investments made by Big Society Capital and Fair4All Finance to meet their objectives outlined above. The Treasury Portfolio represents capital held within the group before it is either drawn down into social impact investment or spent to further the Trust's and the subsidiary companies' objectives as outlined above.

The Trust, the group's parent company, reports total comprehensive income of £45.0m, wholly attributable to the above mentioned capital grant funding. The company received £410,000 in operational funding alongside this, of which £336,000 was spent or incurred in 2020 (2019: £121,000), the increase being wholly attributable to the growth of the parent company's oversight role. At the end of the financial year, the company holds £336,000 of grant funding yet to be spent.

The group reports total revenue for 2020 of £93.4m (2019: £13.4m). Of this total, £79.5m is attributable to income from grants (2019: £5.5m), driven by the aforementioned receipt of £45.0m of Dormant Account funds by the Trust, alongside the release of £29.3m of grant monies against costs incurred on the grant-making, investments drawn down, and operations of all group entities. Combined revenue from the group's Social Impact Investment Portfolio and its Treasury Portfolio is £13.8m (2019: £7.8m), improved performance being the result of favourable valuations in Big Society Capital's social impact investments.

The group has incurred costs in 2020 of £36.6m (2019: £18.2m), of which £14.3m (2019: £11.1m) relates to administrative costs, whilst £22.3m (2019: £7.2m) relates to grant commitments incurred by group entities. Personnel costs remain the largest share of overall administrative costs at £8.9m, or 62% (2019: £6.5m, or 58%), with increased costs mainly the result of the first full year of operations for Fair4All Finance and Youth Futures, and an increase in the group's average monthly headcount from 72 to 91. Grants payable have risen sharply by £15.2m (212%), resulting from the first grant commitments made by Fair4All Finance (£3.7m) and Youth Futures (£11.7m).

The group's total comprehensive income of £56.7m (2019: loss of £4.8m) is therefore driven by the recognition of capital grants within the Trust (£45.0m) and Fair4All Finance (£7.4m), alongside the net profits made by Big Society Capital (£3.6m) and Access (£0.7m) in 2020.

The group's net assets have risen to £662.7m (2019: £606.0m), an increase of £56.7m (9.4%) driven primarily by the aforementioned £45.0m of capital grant income received by the Trust, and the recognition of £7.4m of capital grant income by Fair4All Finance. The group's Social Impact Investment Portfolio has grown by £48.6m (18.0%) in 2020, with £101.0m (2019: £74.0m) of new capital drawn down by Big Society Capital into vehicles aimed at delivering social impact, alongside a first tranche of £7.4m (2019: £nil) by Fair4All Finance. The group's Treasury Portfolio holdings have increased to £434.0m (£413.4m), a rise of 5.0% that follows on from the funding news mentioned above.

## Summary of OpCo Operating and Financial Performance

### Big Society Capital

In 2020, the impact of Covid-19 brought great challenge to many of the organisations which Big Society Capital assists and collaborates with, and the Company reprioritised its goals to make room for crucial new initiatives, working closely with government and other partners to support them.

It was a year which brought significant change for Big Society Capital, with the launch of the Schroder BSC Social Impact Trust plc (SBSI) and the appointment of Stephen Muers as Interim Chief Executive Officer (now its permanent CEO). However, it was also a year of reflection, as the Company responded to findings from the Quadrennial Review (commissioned by the Trust) and progressed its work in respect of Equity, Diversity and Inclusion (EDI). The business is currently building on a fresh strategy and updated organisational goals through to 2025.

Highlights from the year include:

- **Rapid Response to Covid-19:**

# The Oversight Trust- Assets for the Common Good (formerly The Big Society Trust) Strategic Report (continued)

- Big Society Capital provided capital and interest rate holidays on its existing investments to give cashflow relief to organisations affected by the crisis.
- It also co-ordinated with a range of investors and government to provide new funding enabling the establishment of the £25m Resilience and Recovery Loan Fund (managed by Social Investment Business and financed by Big Society Capital) to provide emergency loans to social enterprises and charities. This funding included the accelerated release of the £45m of previously committed dormant account money to the company, this representing the final portion of committed equity capital that had not previously been drawn.
- **The launch of SBSI (for which Big Society Capital is the delegated portfolio manager):** SBSI which is an investment trust listed on the Stock Exchange has opened the private social impact investment market to investors more widely. So far it has invested in high-impact housing, debt funds for social enterprises, and social outcomes contracts and created the potential to bring considerable further investment into social impact.
- **The publication of the Quadrennial Review:** Findings demonstrated that Big Society Capital has made substantial progress towards its objectives through its activities as a social investment wholesaler and market builder. The company committed to a schedule of actions to be taken throughout the second half of 2020 and into 2021 to maintain and enhance its performance in respect of stakeholder experience.
- **Sustainable Returns:** Big Society Capital's long-term objective is to generate positive financial returns alongside demonstrable social impact. The company made a net profit in 2020, driven by unrealised gains in its Social Impact Investment Portfolio. Profits and cash generated will be used to achieve further social impact by making investments to address social issues. It also enables the company's operational and market building costs to be covered, moving the company towards generating returns for its shareholders.

## Access – the Foundation for Social Investment

For Access, 2020 was dominated by the global pandemic; its impact on the charity and social enterprise sector and the partners with whom it works; and the need to carefully monitor its assets. It was also a year of significant progress for Access, including securing a further £30m of funds from dormant accounts to grow its blended finance work, and new leadership at a governance level with Nick Hurd taking over as Chair and four further new trustees appointed in the second half of the year. 2020 marked the half-way point in Access' planned ten year life and its board began work to plan for Access' legacy and further share learning from its work so far. Highlights from the year include:

- The Enterprise Development Programme continued to provide support to organisations during the pandemic. At the end of 2020, 80 organisations had joined the programme across the four sectors. Towards the end of the year it committed to expanding the programme to two new sectors.
- By the end of the year the Reach Fund had provided a total of 613 grants, with a total value of £8.36m, since 2016.
- Progress to establish a new blended finance programme to respond to COVID19 was swift. Five social investment providers received commitments of £6.9m of grant enabling them to offer a blend of loan and grant to charities and social enterprises who required emergency investment during the crisis.
- Additional grants were made available through the Growth Fund to support both the social investors managing the funds and the charities and social enterprises who have received investments. By the end of the year 517 investments had been made into charities and social enterprises, representing c. 20% of the social investment market by deals done.

# The Oversight Trust- Assets for the Common Good (formerly The Big Society Trust) Strategic Report (continued)

## Fair4All Finance

Fair4All Finance had its first full year of operation in 2020. It delivered on many of its goals, which were focused on:

- Scaling and sustaining affordable credit provision delivered through community finance provision
- Evidencing the positive economic and social benefit of providing affordable credit
- Building a team with appropriate skills and expertise to deliver transformational and sustainable system change
- Dealing with the immediate challenges presented by Covid-19

The rapidly changing situation with Covid-19 meant Fair4All Finance had to pivot its work to respond to the ongoing pandemic, while remaining focused on its longer term strategic goals. Highlights for the year included:

- Supported community finance providers delivering 50% of affordable lending capacity in England
  - Committed £13.7m funding to the organisations on its pilot Affordable Credit Scale Up programme, who collectively have ambitions to deliver an additional £83m of affordable lending capacity by 2024
  - Extended its Affordable Credit Scale Up programme which attracted 18 applicants
  - Its Covid-19 Resilience Fund delivered over £3.6m of grant funding to 29 organisations which enabled it to support preservation of almost 50% of affordable credit provision in England
- Secured funding to deliver wider system change
  - Secured an additional £41m of funding from dormant assets to enable it to extend its work to develop new products and markets for those customers in vulnerable circumstances for whom very limited provision currently exists
  - Raised its strategic focus to a wider system change, working with its team, Board and strategic stakeholders to gain insight and buy-in to its approach; achieved sign off from its key stakeholders
- Established its reputation to deliver high impact work and inform system change
  - Built its reputation as an agile, collaborative and responsive thought leader for systems change through both speaking and actions, including the pivot for Covid-19
  - Led two of the Money and Pensions Service challenge groups; Credit counts - affordable credit and Workplace to inform the overall National Financial Wellbeing Strategy
  - Built robust evidence of the impact of affordable credit provision, laying the foundations for a new model for investment based on impact adjusted return

At the end of 2020 Fair4All Finance finalised its refreshed strategy and gained sign-off on its proposed allocation of funds. This includes expanding its Affordable Credit Scale Up funding to a total of £35m and allocating £25m to invest in developing new market propositions and products, specifically focusing on those least well served by existing financial products and services.

## Youth Futures Foundation

Youth Futures had its first full year of operation in 2020. Highlights included:

- Investing in potential

# The Oversight Trust- Assets for the Common Good (formerly The Big Society Trust)

## Strategic Report (continued)

- Youth Futures allocated double the amount of grant funding planned at the start of 2020 (grants representing £11.7m value, versus a target of £5.3m), reaching 6,257 young people through our grants programme, with a significant proportion going to Black, Asian and ethnic minority led organisations and/or those supporting ethnic minority young people
- £6.5m was awarded to 21 organisations through its Development and Impact Grants programme, a key way through which it will identify what does and doesn't work to help marginalised young people into secure jobs
- The challenges caused by the pandemic were responded to by grants through its Inspiring Futures Fund in partnership with BBC Children in Need (CiN), providing £7m to 107 frontline charities and social enterprises
- Provided support at a time of crisis, through its Infrastructure Resilience Fund, providing £1.7m funding to 12 national and regional infrastructure organisations
- Igniting change
  - Co-founded the Youth Employment Group bringing together over 200 organisations in response to the escalating youth employment crisis
  - Met regularly to brief government departments including DWP, DCMS, Number 10, Cabinet Office, the HM Treasury and Department for Education (DfE)
- Identifying what works
  - Delivered research, evaluation and policy papers
  - Funding youth employment interventions for evaluation in England
  - Authored and commissioned research and analysis on what works
  - Collaborated with the What Works network to embed evidence-led practice
- Building a highly skilled, diverse team committed to achieving its mission
  - Grew the staff team from seven to 27
  - A high proportion of the Board and staff are from ethnic minorities and over 50% of the staff is female
  - Recruited young representatives to the Board and Grants Committee
- Developing good governance
  - Established an effective Board and Committees structure
  - Forged strong working relationships with key stakeholders
  - Set up Future Voices Group, an advisory group of young people to feed into its vision and strategy
- Planning for the future
  - Youth Futures has adopted a strategic plan for 2021 to 2023 including the core programme strategy. The plan sets out key priorities and the long-term impact it wants to make.

## Future developments

Since the year end the Government has published its response to the consultation on expanding the Dormant Assets Scheme. This largely confirms the draft proposals on bringing additional financial assets within the Scheme. The paper identifies a potential further £880m which may be released in due course. Legislation has been brought forward to enact the proposals (Dormant Assets Bill). It will be some time before funds begin to flow and therefore it is not yet possible to determine any consequences for the Trust.

# The Oversight Trust- Assets for the Common Good (formerly The Big Society Trust) Strategic Report (continued) The Trust as a Responsible Business

The Trust is an organisation comprising a Board of Directors and in 2020 its operational support was provided initially by Big Society Capital. Since 1 April 2020, the Trust has employed a Chief Operating Officer who also acts as Company Secretary. The Trust oversees the activities of four organisations, each with a social mission, and it is tasked with ensuring good governance for these companies and that they adhere to their missions in order to deliver societal benefit.

The Board of Directors includes a Government Appointee nominated by DCMS and since December 2019 has also included an Appointee of NLCF. These individuals serve alongside the other Board members while also representing the perspectives of two key stakeholders in the organisation.

It is not within the Trust's remit to direct the day-to-day operations of the individual OpCos but rather to ensure they are well governed. The Trust receives assurance through reports from the companies that they are each acting responsibly.

## 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.

## Long-term decisions

The nature of the Trust's oversight role is to look at strategic decision making by the OpCos to deliver the long-term success of the group. The Trust's role is to keep them 'on mission' over the long term by ensuring their strategy is consistent with their objects and purpose.

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 published Quadrennial Review of the impact and effectiveness of one of the OpCos (with each OpCo being reviewed in turn 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 its long term delivery of its mission can be assessed.

## Interests of the group's employees

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. The role of the Trust is to promote good governance by seeking transparency and encouraging best practice.

# The Oversight Trust- Assets for the Common Good (formerly The Big Society Trust) Strategic Report (continued)

## Relationships with suppliers, customers and others

The Trust has a close working relationship with the companies it oversees, particularly in the areas of Finance and Communications. The Trust's oversight role means it must review the activities of companies in the group and deliver the Quadrennial Reviews referred to above. The Trust facilitates communication amongst the group about issues of common interest – as was demonstrated by effective knowledge-sharing by the group around the sector response to the Covid-19 crisis.

The Trust itself has a very limited number of suppliers, given its role, but procurement is done on an open and fair basis where appropriate.

## Community and environment

The Trust group has social and environmental objectives, as outlined in individual OpCos' Articles and discussed above in this Strategic Report. The Trust is an enabler for the organisations in the group to make a positive contribution to the community and the environment.

The Trust does not own, rent or operate any physical premises and so is not directly responsible for greenhouse gas emissions beyond normal domestic energy consumption related to the Board and Chief Operating Officer working from home.

## Business conduct

The Trust has established a Governance Agreement with each of the OpCos to ensure that it uses its powers as majority shareholder or sole member in an appropriate way. It does this by clearly outlining its powers and processes and how these will be used in relation to fulfilling the Trust's Objects.

## Act fairly between members

The members of the Trust are its directors. Each has equal voting rights except on specific issues (such as in relation to changing certain of the Trust's Articles). For these decisions (consensus decisions) unanimity of the other members is required but the vote of the Government Appointee, and in certain instances, of the NLCF Appointee do not count. This is designed to ensure that public sector bodies are not able to veto certain decisions, to ensure the Trust can operate in a way that is clearly independent of Government influence.

## Summary Key Performance Indicators (KPIs)

As an oversight organisation, the Trust looks at its performance in terms of due process and deliverables.

In 2020 the Trust successfully established its new governance structures for the OpCos.

Each OpCo considers its performance against KPIs 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 quarterly Board meetings.

The Trust commissioned the first Quadrennial Review of Big Society Capital. The Report of the findings of the Quadrennial Review was published in July 2020 alongside Big Society Capital's response and a document announcing the Review authored by the Trust.

In early 2021, the Trust provided Assurance Statements to NLCF based on assurances provided by each OpCo in respect of their compliance with their obligations under their respective Governance Agreements.

The Trust has an annual spending limit of £500,000 and clear budget targets within this figure that it has successfully operated within.

# The Oversight Trust- Assets for the Common Good (formerly The Big Society Trust) Strategic Report (continued)

## Summary of future objectives and planned activities

The Trust will continue to operate as the oversight body for the four OpCos following the established processes detailed above. There is an ongoing funding commitment from NLCF on the basis of directions from the Secretary of State for DCMS to support the operating costs of the Trust in fulfilling its oversight role.

The Trust will seek to support the Government in bringing forward legislation and any related consultation on the expansion of the Dormant Assets scheme which aims to bring other financial assets, in addition to bank and building society accounts, within the scope of the distribution arrangements. The Government response to the initial consultation has identified a potential £880m as available for distribution. The role of the Trust in connection with the expanded scheme may change and it will depend on a number of factors including changes to the thematic funding topics to be considered in relation to the proposed legislation and the potential for extending or otherwise changing the range of distributing bodies and the nature of any oversight required.

The Trust plans to engage an external consultant to perform a Review of its own Governance and Board Effectiveness in 2022.

Each of the OpCos has established detailed strategic objectives (set out in their individual Annual Reports) and the Trust has a responsibility to ensure that these plans remain consistent with their stated Objects.

This report was approved by the Board on 2 August 2021 and signed on its behalf.



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Sir Stuart Etherington

Chair

# The Oversight Trust- Assets for the Common Good (formerly The Big Society Trust) Directors' Report

The directors present their report and financial statements for the year ended 31 December 2020.

## Directors

The following persons served as directors during the year:

- Sir Stuart Etherington (also Chair from 9 June 2020)
- Robin Budenberg CBE (until 17 Sept 2020, Acting Chair from 21 Nov 2019 to 9 June 2020)
- Nicola Pollock (also Senior Independent Director from 19 Nov 2020)
- Joanna Fox (Government Appointee)
- Stephen Howard LVO
- Peter Holbrook CBE (until 17 Sept 2020)
- Ian Hughes (National Lottery Community Fund Appointee)
- Clara Barby (from 17 Sept 2020)
- Kevin Davis (from 17 Sept 2020)
- Helen England (from 17 Sept 2020)
- Andrew Rose (from 17 Sept 2020)

## Remuneration

### The Oversight Trust – Assets for the Common Good (Parent company)

Until 20 February 2020, the Directors of the Oversight Trust did not receive any remuneration for their role. At its meeting on 20 February, the Board decided that, in order to reflect the change in its structure and responsibilities and to be able to attract Directors with the required skills and from diverse backgrounds, remuneration should be offered to Directors (except the Government and NLCF Appointees). 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.

The Board agreed that the Trust's Directors should initially be offered £5,000 pa (with the Chair offered an additional £5,000 pa and the lead of the Quadrennial Review an additional £2,500 pa). 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, changes to remuneration in the broader sector and inflation.

In 2020, £27,000 was incurred in payments to the Trust's Directors (2019: £nil). £15,000 of this was paid by the end of the financial year (2019: £nil).

The highest paid director received emoluments of £7,000 (2019: £nil) and company contributions to money purchase pension schemes of £nil (2019: nil).

### Access – the Foundation for Social Investment

The remuneration governance and decision making of Access is overseen by the Access Audit, Risk and Compliance Committee, with remuneration determined in line with relevant benchmarks and reflective of the conditions in the social sector.

Two of the trustees of Access received remuneration in respect of their services during the period, with a combined value of £8,000 (2019 – £10,000).

# The Oversight Trust- Assets for the Common Good (formerly The Big Society Trust) Directors' Report (continued)

## Big Society Capital Limited

The Nominations & Remuneration Committee (N&RC) of BSC is appointed by the Board of the company and makes recommendations on remuneration issues to it. Executive directors and the senior executive team will be paid a comparable remuneration package to persons engaged in similar positions in the public or not-for-profit sectors, as appropriate. The senior executive team shall not be paid any bonuses.

This Committee also leads the process for setting BSC's non-executive directors' fees. Non-executive directors will be offered an equivalent sum paid by other comparable not-for-profit and public bodies such as housing associations to non-executive directors.

In 2020, the amounts were £8,190 (2019: £8,055) per annum for the service of acting as a non-executive director, £3,490 (2019: £3,430) per annum for chairing a Board Committee and £1,745 (2019: £1,715) per annum for acting as a non-chair member of a Committee. In addition, £5,365 (2019: £5,275) per annum is offered to a non-executive director who acts as a member of the Investment Committee. These amounts are reviewed by BSC annually in the light of inflation and non-executive remuneration levels at comparable organisations.

Total non-executive directors' fees in 2020 were £94,000 (2019: £78,000).

## Fair4All Finance Limited

The Culture, Talent and Remuneration Committee has overseen the development of Fair4All Finance's remuneration policy and benefits package, which supports Fair4All Finance being a financially inclusive employer. Fair4All Finance's approach to setting salaries reflects the fact that the company occupies a position bridging mainstream financial services and financial providers focused on serving people in vulnerable circumstances who are often community based and asset locked social enterprises. The company sets its salary bands to be in the bottom quartile in mainstream financial services in direct comparator roles and against the large charities range in the social sector. It does not apply any form of performance-related pay, nor does it have a bonus scheme.

The Culture, Talent and Remuneration Committee reviews policies for their appropriateness in the context of Fair4All Finance's Governance Agreement. It specifically sets the reward for the CEO and reviews reward for employees earning more than £60,000 and reports to the Board on their view of the appropriateness of the reward in the context of the reward policy. All other salaries are set by the CEO.

The remuneration for the chair of the Company is set at £12,000 per annum and the Non-Executive Directors of the Company is set at £6,000 per annum. The Chair and two of the Non-Executives have waived their remuneration.

The aggregate value of emoluments paid to the Non-Executive Directors in the period was £35,000.

## Youth Futures Foundation Limited

Youth Futures has a Remuneration Policy, owned by the Board, that governs executive and non-executive remuneration and which incorporates its obligations under the Governance Agreement for setting and reporting remuneration. The Organisational Development Committee is responsible for reviewing:

- the Remuneration Policy and recommending any changes to the Board
- the Company's executive Pay Bands, benefits package and non-executive remuneration guidelines at least once per year in light of the market, retention, engagement, budget and plans and performance and recommending any changes to the Board
- the CEO's remuneration package annually and recommending changes to the Board; and

# The Oversight Trust- Assets for the Common Good (formerly The Big Society Trust) Directors' Report (continued)

- approving the CEO's recommendations for annual changes to the executive team pay. In 2020, non-executive directors were paid £5,500 per annum each for the service of acting as a non-executive director, except for the chair who was paid £12,000 per annum.

Total non-executive directors' fees in 2020 were £51,000 (2019: £74,000). The previous period includes amounts for the additional work done by the Directors during the start-up phase of the Company before the arrival of the Chief Executive.

## 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:

	<b>2020</b>	<b>2019</b>
£60,000-£69,999	15	9
£70,000-£79,999	16	11
£80,000-£89,999	4	2
£90,000-£99,999	3	2
£100,000-£109,999	2	2
£110,000-£119,999	4	3
£140,000-£149,999	1	-
£150,000-£159,999	1	1
	<b>46</b>	<b>30</b>

30 (2019: 24) of these employees participate in Big Society Capital's pension scheme. Employees make a contribution of up to 8% of salary to the pension scheme. The company matches the employee contributions and pays an additional 3% of salary.

Two (2019: 2) of these employees participate in the Access company pension scheme. Employees make a contribution of a minimum of 4% of salary to the pension scheme. The group contributes 8% of salary.

Four (2019: 2) of these employees participate in Fair4All Finance's stakeholder pension scheme set at 4% employer contribution and 4% employee contribution.

Six (2019: 1) of these employees participate in Youth Futures' stakeholder pension scheme set at 6% employer contribution and 5% employee contribution.

## Directors' indemnity

Each company in the Group arranges directors' and officers' liability insurance to cover certain liabilities and defence costs.

## Greenhouse Gas Emissions

The company considers itself to be a low energy user under the Streamlined Energy and Carbon Reporting regulations and therefore is not required to disclose energy and carbon information. Accordingly, no such information has been disclosed.

## Pillar III disclosures

The subsidiary company, Big Society Capital is regulated by the Financial Conduct Authority. The company makes disclosures on its website – [www.bigsocietycapital.com](http://www.bigsocietycapital.com) – setting out the its capital resources, risk exposures and risk management processes.

# The Oversight Trust- Assets for the Common Good (formerly The Big Society Trust) Directors' Report (continued)

## Political contributions

Neither the company nor any of its subsidiaries made any disclosable political donations or incurred any disclosable political expenditure during the year (2019: £nil).

## Auditor

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

## Interests of the Trust's Board

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 2020 financial year:

Name	Organisation Name	Details
<b>Joanna Fox</b>	Sponsoring Department: Department for Digital, Culture, Media and Sport (DCMS)  Home Department: Cabinet Office	Government appointee <sup>(1)</sup>
<b>Ian Hughes</b>	The National Lottery Community Fund (NLCF)  Beatfreaks Arts	NLCF appointee <sup>(1)</sup>  Non-Executive Director of a social enterprise whose focus of work aligns with the purpose of Youth Futures
<b>Sir Stuart Etherington</b>	Bates Wells Braithwaite	Wife is a Partner in a Law Firm <sup>(3)</sup>
<b>Peter Holbrook</b>	Social Enterprise UK Limited	CEO of organisation <sup>(2,3)</sup>
<b>Stephen Howard</b>	Power to Change Trustee Limited  Big Issue Invest Limited (BII)	Chair of organisation, which makes investments alongside Big Society Capital  Non-Executive Director of organisation; Big Society Capital is an investee in BII managed funds
<b>Robin Budenberg</b>	Charity Bank Limited	Non-Executive Director of organisation, Big Society Capital has an equity investment in organisation and provides "scaling-up" facility

# The Oversight Trust- Assets for the Common Good (formerly The Big Society Trust) Directors' Report (continued)

	Lloyds Banking Group	Became a Non-Executive Director in October 2020 (and subsequently Chair in January 2021) after stepping down from the Oversight Trust Board. Lloyds Banking Group is a minority shareholder in Big Society Capital
<b>Nicola Pollock</b>	SASC Trust	Trustee of SASC Trust, Big Society Capital invests in funds managed by Social and Sustainable Capital LLP
<b>Helen England</b>	Youth Futures Foundation	Son is a Member of Youth Futures' Future Voices Group <sup>(3)</sup>
<b>Clara Barby</b>	Bridges Fund Management	Partner of an organisation that manages funds in which Big Society Capital has invested
	Impact Management Project	CEO of an organisation supported by Big Society Capital <sup>(3)</sup>

## Notes:

<sup>(1)</sup> 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 Bank and Building Society Accounts Act 2008. Funding from the English portion of these monies is directed by the Secretary of State for DCMS.

<sup>(2)</sup> Member organisations of SEUK have transacted with certain of the operating companies in the Trust group. In all cases the Director concerned is not connected to the applications for funding and is not party to the decision-making process in the operating company that considers the award application.

<sup>(3)</sup> Additional disclosures of Related Party Transactions are made in the Trust's financial statements.

## Statement of directors' responsibilities in respect of the Strategic Report, the Directors' Report and the financial statements

The directors are responsible for preparing the Strategic Report, the Directors' Report and the group and parent company financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the group and parent company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the 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 parent company and of the group's profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;

# The Oversight Trust- Assets for the Common Good (formerly The Big Society Trust) Directors' Report (continued)

- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

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

## 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 auditor is 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 auditor is aware of that information.

This report was approved by the Board on 2 August 2021 and signed on its behalf.



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Sir Stuart Etherington

Chair

# The Oversight Trust- Assets for the Common Good (formerly The Big Society Trust) Independent Auditor’s Report to the members of The Oversight Trust – Assets for the Common Good

## Opinion

We have audited the financial statements of The Oversight Trust - Assets for the Common Good (“the company”) for the year ended 31 December 2020 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows, the Company Statement of Financial Position, the Company Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the group’s and of the parent company’s affairs as at 31 December 2020 and of the group’s profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (“ISAs (UK)”) and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

## Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the group or the company or to cease their operations, and as they have concluded that the group and the company’s financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements (“the going concern period”).

In our evaluation of the directors’ conclusions, we considered the inherent risks to the group’s business model and analysed how those risks might affect the group and company’s financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate;;
- we have not identified, and concur with the directors’ assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the group or the company’s ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the group or the company will continue in operation.

# The Oversight Trust- Assets for the Common Good (formerly The Big Society Trust) Independent Auditor's Report (continued)

## Fraud and breaches of laws and regulations – ability to detect

### Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the Group's policies and procedures to prevent and detect fraud as well as whether they have knowledge of any actual, suspected or alleged fraud;
- Reading the Group's meeting minutes;
- Considering remuneration incentive schemes and performance targets; and
- Using analytical procedures to identify any usual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards and taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because revenue is generated from few sources and transactions are easily verifiable to external sources or agreements with little or no requirement for estimation from management. We did not identify any additional fraud risks.

We performed procedures including identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included journals posted to revenue and cash.

### Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law and certain aspects of company legislation recognising the financial nature of the Group's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

# The Oversight Trust- Assets for the Common Good (formerly The Big Society Trust) Independent Auditor's Report (continued)

## Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

## Other information

The directors are responsible for the other information, which comprises the strategic report, the directors' report and Chair's statement. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information;
- in our opinion the information given in the strategic report and the directors' report for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

## Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

## Directors' responsibilities

As explained more fully in their statement set out on page 22, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; assessing the group and parent 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 they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

# The Oversight Trust- Assets for the Common Good (formerly The Big Society Trust) Independent Auditor's Report (continued)

## Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

## The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Richard De La Rue (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**

*Chartered Accountants*

15 Canada Square

London

E14 5GL

2 August 2021

# The Oversight Trust- Assets for the Common Good (formerly The Big Society Trust) Consolidated Statement of Comprehensive Income

For the year ended 31 December 2020

		2020	2019
	Notes	£'000	£'000
Income from grants	2	79,481	5,517
Revenue from investments	3	13,848	7,834
Other income		36	87
<b>Total Revenue</b>		<b>93,365</b>	<b>13,438</b>
Administrative and other expenses	4	(14,289)	(11,127)
Grants payable	5	(22,336)	(7,152)
<b>Operating profit/(loss)</b>		<b>56,740</b>	<b>(4,841)</b>
Tax credit/(charge) on (loss)/gain on ordinary activities	7	(3)	3
<b>Profit/(loss) for the financial year</b>		<b>56,737</b>	<b>(4,838)</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>56,737</b>	<b>(4,838)</b>
Total comprehensive income for the year attributable to:			
- Non-controlling interest		1,177	(731)
- Equity attributable to the parent		55,560	(4,107)
		<b>56,737</b>	<b>(4,838)</b>

The results above relate to continuing operations.

The notes on pages 33 to 58 form part of these financial statements.

# The Oversight Trust- Assets for the Common Good (formerly The Big Society Trust)

## Consolidated Statement of Financial Position

For the year ended 31 December 2020

	Notes	2020 £'000	2019 £'000
<b>Fixed assets</b>			
Intangible assets	8	17	25
Tangible assets	9	177	123
Investments	10	318,995	270,443
		<b>319,189</b>	<b>270,591</b>
<b>Current assets</b>			
Debtors	11	1,993	778
Investments	12	323,284	307,839
Cash at bank and in hand	13	110,868	105,577
		<b>436,145</b>	<b>414,194</b>
<b>Creditors: amounts falling due within one year</b>	14	(92,121)	(78,785)
<b>Net current assets</b>		<b>344,024</b>	<b>335,409</b>
<b>Creditors: amounts falling after more than one year</b>	14	(480)	-
<b>Total assets less current liabilities</b>		<b>662,733</b>	<b>606,000</b>
<b>Provisions for liabilities</b>			
Deferred taxation	15	(19)	(23)
		<b>662,714</b>	<b>605,977</b>
<b>Capital and reserves</b>			
Profit and loss account	18	471,265	415,705
<b>Equity attributable to the parent</b>		<b>471,265</b>	<b>415,705</b>
Non-controlling interest	19	191,449	190,272
<b>Total capital employed</b>		<b>662,714</b>	<b>605,977</b>

The notes on pages 33 to 58 form part of these financial statements.

Approved by the Board on 2 August 2021 and signed on its behalf.



Sir Stuart Etherington

Chair

Company registration number: 07611016

# The Oversight Trust- Assets for the Common Good (formerly The Big Society Trust) Consolidated Statement of Changes in Equity

	Non-controlling interest £'000	Profit and loss account £'000	Total £'000
<b>At 1 January 2019</b>	191,003	419,812	610,815
Loss for the financial year	(731)	(4,107)	(4,838)
<b>At 31 December 2019</b>	<b>190,272</b>	<b>415,705</b>	<b>605,977</b>
<b>At 1 January 2020</b>	190,272	415,705	605,977
Profit for the financial year	1,177	55,560	56,737
<b>At 31 December 2020</b>	<b>191,449</b>	<b>471,265</b>	<b>662,714</b>

The notes on pages 33 to 58 form part of these financial statements.

# The Oversight Trust- Assets for the Common Good (formerly The Big Society Trust)

## Consolidated Statement of Cash Flows

For the year ended 31 December 2020

	Notes	2020 £'000	2019 £'000
<b>Operating activities</b>			
Operating profit/(loss)		56,740	(4,841)
Adjustments for:			
Depreciation and amortisation		106	127
		<b>56,846</b>	<b>(4,714)</b>
(Increase)/decrease in debtors		(545)	(236)
Increase/(decrease) in creditors		13,736	77,641
		<b>70,037</b>	<b>72,691</b>
Returns on fixed asset investments		(3,363)	6,595
Returns on current asset investments		(3,618)	(4,848)
Foreign exchange (losses)		(162)	(359)
Corporation tax received		26	-
<b>Cash used in operating activities</b>		<b>62,920</b>	<b>74,079</b>
<b>Investing activities and interest</b>			
Payments to acquire tangible and intangible fixed assets		(151)	(96)
Payments to acquire fixed asset investments		(108,155)	(74,308)
Payments to acquire current asset investments		-	(60)
Repayment of loans		34,323	13,958
Proceeds from sale of fixed asset investments		28,700	3,454
Proceeds from sale of current asset investments		58,758	44,062
<b>Cash generated/(used) in investing activities</b>		<b>13,475</b>	<b>(12,990)</b>
<b>Net cash generated</b>			
Cash used in operating activities		62,920	74,079
Cash generated/(used) in investing activities		13,475	(12,990)
<b>Net cash generated</b>		<b>76,395</b>	<b>61,089</b>
Cash and cash equivalents at 1 January		117,153	56,064
Cash and cash equivalents at 31 December	13	<b>193,548</b>	<b>117,153</b>
<b>Cash and cash equivalents comprise:</b>			
Cash at bank		110,868	105,577
Current asset investments (maturity less than three months from the date of acquisition)		82,680	11,576
	13	<b>193,548</b>	<b>117,153</b>

The notes on pages 33 to 58 form part of these financial statements.

# The Oversight Trust- Assets for the Common Good (formerly The Big Society Trust) Notes to the Financial Statements

For the year ended 31 December 2020

## 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.

The financial statements have been prepared 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 a cumulative profit since inception of £471.3m and has earned a profit for the year of £55.6m. The group had cash and current asset investments of £434.2m at the year end. The Directors have reviewed the group's future liquidity projections in the light of the impact of the ongoing effect of Covid-19 and potential implications of this on future group 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 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 from page 4. 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 Big 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.

Both Fair4All and Youth Futures were established during the year ended 31 December 2019, and have been consolidated for the full year ended 31 December 2020.

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

Under Section 408 of the Companies Act 2006 the company is exempt from the requirement to present its own profit and loss account.

### 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 minorities are accounted for as deemed acquisitions or disposals.

# The Oversight Trust- Assets for the Common Good (formerly The Big Society Trust) Notes to the Financial Statements

## Use of judgements and estimates

The preparation of the financial statements in conformity with applicable UK GAAP requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis.

The most significant area of judgement is the determination of fair values for Level Three investments. This is discussed below, in the accounting policy 'Basic financial instruments – iii) Fair value measurement'.

## Foreign currency

Transactions in foreign currencies are translated to the group's 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 (pound sterling) 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

Big 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 accounts of the company nor of the group, and are measured at fair value with changes in fair value recognised in profit or loss in accordance with FRS 102 14.4B.

## 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. All other government grants are included within deferred income in the Consolidated Statement of Financial Position and credited to the profit and loss account 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 also 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 profit and loss account in the period in which the related costs are incurred. Where costs that are capitalised are incurred, NLCF grant funding is credited to the profit and loss account 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 profit and loss account in the period in which the related costs are incurred. Alongside this, in 2020 Access became entitled to £30m of funding from the NLCF to spend on helping charities and social enterprises respond and recover from the Covid-19 outbreak. Unlike for the Growth Fund, monies spent on this programme are under the direct control of the charity, and so income has been credited to the profit and loss account as costs are incurred.

# The Oversight Trust- Assets for the Common Good (formerly The Big Society Trust) Notes to the Financial Statements

## 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.

## Grants payable

Grants payable 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 payable 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, but excludes interest income.

## Basic financial instruments

### i.) Recognition and initial measurement

Financial assets designated as at fair value through profit or loss are recognised initially at fair value, with transaction costs recognised in profit or loss. Financial assets or financial liabilities not at fair value through profit or loss are recognised initially at fair value plus transaction costs that are directly attributable to their acquisition or issue. Subsequently, they are assessed for impairment as below, and for debt investments interest may be accrued as described above.

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 or associates. 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. Details are set out in Note 20 – Capital commitments.

### ii.) Classification

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

#### Financial assets at fair value through profit or loss

Designated as at fair value through profit or loss – debt, equity, fund and social impact bond investments and derivative financial instruments.

#### Financial assets at amortised cost

Debt investments meeting the conditions set out in FRS 102.11, cash at bank and in hand, cash deposits (included in investments held as current assets), and other debtors.

# The Oversight Trust- Assets for the Common Good (formerly The Big Society Trust) Notes to the Financial Statements

## Financial liabilities at amortised cost

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.

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' (2018 edition):

Where an investment has been made recently, or where there has been subsequent, significant new investment into the company, a more accurate valuation is not available and there is no evidence to suggest that the unadjusted Price of Recent Investment is no longer relevant, the group may apply the Price of Recent Investment, for a limited period following the date of the relevant transaction. Where it is felt that there has been a change to the milestones or benchmark then the group will use the Price of Recent Investment adjusted to reflect milestone/ benchmark analysis.

Where appropriate and reasonable earnings or revenue multiples are available for comparable businesses, the group will apply Multiples valuation techniques to derive a value for the investment.

If industry benchmarks can be applied to the investment to derive a fair value, these will be applied.

If future cash flows can be reasonably estimated, and it is felt that the risks, due to the high level of subjectivity involved in applying the Discounted Cash Flow method, do not render the method insufficiently reliable, this will be applied.

Where a regular Net Asset Valuation is available for the investment, the group will assess this for reasonableness and consider whether the investment can be valued on the basis of the underlying fair value of its assets, rather than its earnings. If this is considered appropriate the group will apply the Adjusted Net Asset Valuation method.

The group may decide to use a combination of the mentioned methods, or other methods that are considered more appropriate to derive the fair value of its investments.

### 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 USD and EUR denominated financial assets. 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

# The Oversight Trust- Assets for the Common Good (formerly The Big Society Trust)

## Notes to the Financial Statements

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 arms 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.

### 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.

### Intangible fixed assets

Intangible fixed assets are measured at cost less accumulative amortisation and any accumulative 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, as follows:

Software development	Over 3 years
----------------------	--------------

### Tangible fixed assets

Tangible fixed assets are measured at cost less accumulative depreciation and any accumulative impairment losses.

Depreciation is provided on all tangible fixed assets, other than freehold land, 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 and equipment	Over 2 to 4 years

### Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account 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.

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.

# The Oversight Trust- Assets for the Common Good (formerly The Big Society Trust)

## Notes to the Financial Statements

At Budget 2020, the government announced that the Corporation Tax main rate (for all profits except ring-fenced profits) for the years starting 1 April 2020 and 2021 would remain at 19%.

### Pensions

The group operates defined contribution pension schemes. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the schemes.

## 2 Income from grants

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Grant income from the National Lottery Community Fund	74,480	1,509
Other government grant income	5,000	4,004
Other grant income received	<u>1</u>	<u>4</u>
	<b>79,481</b>	<b>5,517</b>

During 2020, The Oversight Trust received £45.0m (2019: £nil) from the National Lottery Community Fund, to enable it to subscribe for capital in Big Society Capital. All £45.0m of this was invested in Big Society Capital within the financial year.

Additionally, under the terms of its funding agreement to enhance the Board's oversight role, The Oversight Trust received a grant for £410,000 from the NLCF in 2020 (2019: £618,000). This grant income is included in deferred income and credited to the profit and loss account in the period in which the related costs are incurred. During 2020, The Oversight Trust utilised £324,000 (2019: £79,000) of these funds.

As described within the Strategic Report, Access, Fair4All Finance and Youth Futures Foundation have also each received grant funding from the NLCF, to be spent on pursuing strategic objectives:

- In 2020, Access became entitled to £30m of grant funding from the NLCF for the purpose of helping charities and social enterprises respond and recover from the Covid-19 outbreak. In 2020, a first tranche of £21m was received, of which £2.8m has been recognised as income in-line with budgeted expenditure. £136,000 (2019: £151,000) of funds have been received from the NLCF by Access, as a result of the Service Level Agreement in place for administering the Growth Fund on the NLCF's behalf.
- In 2020, Fair4All received £nil from the NLCF (2019: £31.0m). £5.0m (2019: £0.6m) of NLCF grant monies have been released against costs incurred on operations of the company. £7.4m (2019: £nil) of monies have been released against the book cost of social investments made by the company.
- In 2020, Youth Futures received £10m from the NLCF (2019: £45.9m). £13.8m (2019: £0.6m) of NLCF grant monies have been released against costs incurred on operations and grants payable of the company.

Finally, Access received the final £5.0m tranche of its £40.0m expendable endowment from the Department of Culture, Media and Sport in 2020. This has been fully recognised in the profit and loss account in the current year.

# The Oversight Trust- Assets for the Common Good (formerly The Big Society Trust)

## Notes to the Financial Statements

### 3 Revenue from investments

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
<b>Total Revenue</b>	13,848	7,834
<b>Represented by:</b>		
<b>Income</b>		
Social Impact Investment Portfolio	4,658	4,784
Treasury Portfolio	4,824	4,878
	<b>9,482</b>	<b>9,662</b>
<b>Investment gains/(losses)</b>		
Social Impact Investment Portfolio	2,659	(4,822)
Treasury Portfolio	1,707	2,994
	<b>4,366</b>	<b>(1,828)</b>

### 3a Total Revenue - Social Impact Investment Portfolio

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
<b>Total Revenue</b>	7,317	(38)
<b>Represented by:</b>		
<b>Income</b>		
Interest income on financial assets designated as fair value	3,917	3,784
Interest income on financial assets carried at amortised cost	466	750
Dividend income from financial assets designated as fair value	193	139
Fees received	82	111
	<b>4,658</b>	<b>4,784</b>
<b>Investment gains/(losses)</b>		
Net gains/(losses) from financial assets designated as fair value	2,676	(4,805)
Net (losses)/gains from financial assets carried at amortised cost	(74)	36
Net foreign exchange gains/(losses) from financial assets designated as fair value	57	(53)
	<b>2,659</b>	<b>(4,822)</b>

# The Oversight Trust- Assets for the Common Good (formerly The Big Society Trust)

## Notes to the Financial Statements

### 3b Total Revenue - Treasury Portfolio

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
<b>Total Revenue</b>	6,531	7,872
<b>Represented by:</b>		
<b>Income</b>		
Interest income on financial assets designated as amortised cost	4,700	4,878
Dividend income on financial assets designated as fair value	124	-
	<b>4,824</b>	<b>4,878</b>
<b>Investment gains/(losses)</b>		
Net gains from financial assets designated as fair value	1,518	2,319
Net gains from financial assets carried at amortised cost	82	263
Net (losses)/gains on currency forward derivatives	(1,219)	2,814
Net foreign exchange gains/(losses) from financial assets carried at amortised cost	1,326	(2,402)
	<b>1,707</b>	<b>2,994</b>

Total revenue from investments increased significantly in 2020, primarily as a result of increased income and write ups within the Social Impact Investment Portfolio of Big Society Capital. As described in the Strategic Report on pages 4 to 18 the income and valuation movements on the Social Impact Investment Portfolio reflect the continued growth of the portfolio and the current stage of the Big Society Capital'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 15 – 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 2020, Big Society Capital made investments in foreign currency denominated assets. As outlined in Note 14 – Financial risk management and financial instruments, the foreign exchange risk is managed 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 2020 the exchange gain on foreign currency denominated debt securities was £1.3 million (2019: loss of £2.4 million), which was offset by a loss on the currency forward derivatives in 2020 of £1.2 million (2019: gain of £2.8 million), resulting in a net foreign exchange gain of £107,000 (2019: £412,000).

# The Oversight Trust- Assets for the Common Good (formerly The Big Society Trust)

## Notes to the Financial Statements

### 4 Administrative and other expenses

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Wages and salaries	5,848	4,203
Non-executive directors' fees	219	116
Social security costs	670	492
Pension costs	459	368
Staff-related costs, including recruitment, training and travel	665	637
Interim staff and secondees fees	989	683
Premises	944	704
Consultancy fees	1,639	1,402
Marketing and events	365	440
Research	278	29
Audit fees	147	117
IT and website development costs	463	410
Legal and other professional fees	768	540
Depreciation of owned fixed assets	86	107
Amortisation of intangible assets	20	20
General and administrative expenses	169	198
<b>Total administrative expenses</b>	<b>13,729</b>	<b>10,466</b>
Treasury management fees	560	661
<b>Total other expenses</b>	<b>560</b>	<b>661</b>
<b>Total administrative and other expenses</b>	<b>14,289</b>	<b>11,127</b>
Amounts receivable by the group's auditor and its associates in respect of:		
Audit of these financial statements	28	18
Audit of financial statements of subsidiaries of the company	95	74
Other assurance services	12	15
Taxation compliance services	12	10
	<b>147</b>	<b>117</b>

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 pages 19 to 24 above.

#### Average number of employees during the year

Access - The Foundation for Social Investment	8	7
Big Society Capital Limited	66	59
Fair4All Finance Limited	8	4
Oversight Trust - Assets for the Common Good	1	-
Youth Futures Foundation Limited	8	2
	<b>91</b>	<b>72</b>

# The Oversight Trust- Assets for the Common Good (formerly The Big Society Trust) Notes to the Financial Statements

## 5 Grants payable

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Grants payable	22,336	7,152
	<b>22,336</b>	<b>7,152</b>

## 6 Directors' and key management personnel emoluments

The Oversight Trust incurred £27,000 (2019: £nil) in payments to directors for services rendered in the current year, of which £15,000 (2019: £nil) was paid by year-end. £86,000 was paid to the key management personnel of the Oversight Trust; no pension contributions were made. Non-executive directors' fees paid to directors of Big Society Capital, Fair4All Finance and Youth Futures Foundation, and remuneration paid to trustees of Access, are disclosed in the Directors' Report starting on page 19.

The highest paid director in the group received emoluments of £145,000 (2019: £155,000) and company contributions to money purchase pension schemes of £nil (2019: £16,000).

## 7 Taxation

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
<b>Analysis of charge in period</b>		
Current tax:		
- UK corporation tax on profits of the period	65	3
- Adjustments in respect of previous periods	(58)	(5)
	<b>7</b>	<b>(2)</b>
Deferred tax:		
- Origination and reversal of timing differences	(4)	(1)
	<b>(4)</b>	<b>(1)</b>
<b>Tax credit on profit/(loss) on ordinary activities</b>	<b>3</b>	<b>(3)</b>

### 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:

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Profit/(Loss) on ordinary activities before tax	56,740	(4,841)
Standard rate of corporation tax in the UK	19.0%	19.0%
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax	10,781	(920)
Effects of:		
Capital grant income not subject to tax	(9,947)	(121)
Losses/(profits) relating to the group's charitable entities	(135)	517

# The Oversight Trust- Assets for the Common Good (formerly The Big Society Trust)

## Notes to the Financial Statements

Income not taxable and/or expenses not allowable for tax purposes	(336)	803
Tax charge on taxable surplus in year	25	-
Capital allowances for period in excess of depreciation	2	(2)
Utilisation of tax losses	(325)	(274)
Adjustments to tax charge in respect of previous periods	(58)	(5)
Deferred tax – origination and reversal of timing differences	(4)	(1)
<b>Current tax credit for period</b>	<b>3</b>	<b>(3)</b>

## 8 Intangible fixed assets

	<b>Software development £'000</b>
<b>Cost</b>	
At 1 January 2020	61
Additions	12
<b>At 31 December 2020</b>	<b>73</b>
<b>Amortisation</b>	
At 1 January 2020	36
Provided during the year	20
<b>At 31 December 2020</b>	<b>56</b>
<b>Carrying amount</b>	
<b>At 31 December 2020</b>	<b>17</b>
At 31 December 2019	25

## 9 Tangible fixed assets

	<b>Land and buildings £'000</b>	<b>Fixtures, fittings, tools and equipment £'000</b>	<b>Total £'000</b>
<b>Cost</b>			
At 1 January 2020	330	390	720
Additions	33	107	140
<b>At 31 December 2020</b>	<b>363</b>	<b>497</b>	<b>860</b>
<b>Depreciation</b>			
At 1 January 2020	314	283	597
Charge for the year	21	65	86
<b>At 31 December 2020</b>	<b>335</b>	<b>348</b>	<b>683</b>
<b>Carrying amount</b>			
<b>At 31 December 2020</b>	<b>28</b>	<b>149</b>	<b>177</b>
At 31 December 2019	16	107	123

# The Oversight Trust- Assets for the Common Good (formerly The Big Society Trust)

## Notes to the Financial Statements

### 10 Fixed asset investments

	<b>Total £'000</b>
<b>Social Impact Investment Portfolio</b>	
At 1 January 2020	270,443
Additions	108,155
Repayment of capital	(63,023)
Total investment returns*	3,420
<b>At 31 December 2020</b>	<b>318,995</b>

\*Total investment returns are predominantly a combination of management fees and expenses paid to fund managers and fair value adjustments on social impact investments.

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

<b>Investment name</b>	<b>Country of incorporation/ principal place of business<sup>1</sup></b>	<b>Class of shares held</b>	<b>% as at 31 December 2020</b>	<b>Aggregate capital and reserves of the entity<sup>2</sup> £'000</b>	<b>Aggregate profit/(loss) for the year of the entity<sup>2</sup> £'000</b>
<b>3SC Capitalise Limited</b>	UK	Ordinary	50.00	2	0
<b>Ada Ventures Soc I LP</b>	Humphreys Law Ltd, 5 Merchant Square, London W2 1AY	Partnership interest	99.99	N/A <sup>3</sup>	N/A <sup>3</sup>
<b>Bethnal Green Ventures LLP</b>	UK	Partnership interest	35.35	3,890	(504)
<b>Big Issue Invest Outcomes Investment Fund LP</b>	113-115 Fonthill Road, Finsbury Park, London N4 3HH	Partnership interest	85.00	2,924	(870)
<b>Big Issue Invest Social Enterprise Investment Fund II LP</b>	113-115 Fonthill Road, Finsbury Park, London N4 3HH	Partnership interest	62.98	9,370	(3,083)
<b>BMO WUK Residential Real Estate FCP-RAIF</b>	Luxembourg	Registered shares	20.00	Holding less than 50%, no public filing required	
<b>Bridges Evergreen Capital Limited Partnership</b>	38 Seymour Street, London W1H 7BP	Partnership interest	39.44	Holding less than 50%, no public filing required	
<b>Bridges Social Impact Bond Fund LP</b>	38 Seymour Street, London W1H 7BP	Partnership interest	44.44	Holding less than 50%, no public filing required	
<b>Bridges Social Interim LP</b>	38 Seymour Street, London W1H 7BP	Partnership interest	99.98	9	0

# The Oversight Trust- Assets for the Common Good (formerly The Big Society Trust)

## Notes to the Financial Statements

<b>Cheyne Social Property High Impact (I) LP</b>	94 Solaris Avenue Camana Bay PO Box 1348, Grand Cayman, Ky1- 1108, Cayman Islands	Partnership interest	100.00	915	20
<b>Children's Support Services Limited</b>	UK	Ordinary	26.60	1,266	0
<b>City Funds LP</b>	Narrow Quay House, Narrow Quay, Bristol BS1 4QA	Partnership interest	50.00	1,329	(243)
<b>Community Owned Renewable Energy LLP</b>	UK	Partnership interest	50.00	18,147	1,036
<b>Eka Ventures 1 LP</b>	Flat 1, Knaresborough House, 5-7 Knaresborough Place, London, United Kingdom SW5 0TN	Partnership interest	99.60	N/A <sup>3</sup>	N/A <sup>3</sup>
<b>Fair by Design Venture Limited Partnership</b>	The Council House, Victoria Square, Birmingham, West Midlands B1 1BB	Partnership interest	44.68	Holding less than 50%, no public filing required	
<b>Funding Affordable Homes SICAV SIF SA</b>	Luxembourg	Registered shares	19.26	Holding less than 50%, no public filing required	
<b>Impact Ventures SA, SICAV-SIF</b>	Luxembourg	Registered shares	41.58	Holding less than 50%, no public filing required	
<b>National Homelessness Property Fund Limited Partnership</b>	The Great Barn, 5 Scarne Court, Hurdon Road, Launceston, Cornwall PL15 9LR	Partnership interest	32.52	Holding less than 50%, no public filing required	
<b>Nesta Impact Investments 1 Limited Partnership</b>	58 Victoria Embankment, London EC4Y 0DS	Partnership interest	45.46	Holding less than 50%, no public filing required	
<b>North East Social Investment Fund Limited Partnership</b>	5th Floor, 27-35 Grainger Street, Newcastle upon Tyne, Tyne and Wear NE1 5JE	Partnership interest	48.75	Holding less than 50%, no public filing required	
<b>Public Services Lab LLP</b>	UK	Partnership interest	23.53	(1,040)	(173)

# The Oversight Trust- Assets for the Common Good (formerly The Big Society Trust)

## Notes to the Financial Statements

<b>Resonance Supported Homes Fund Limited Partnership</b>	The Great Barn, 5 Scarne Court, Hurdon Road, Launceston, Cornwall PL15 9LR	Partnership interest	48.80	Holding less than 50%, no public filing required	
<b>Schroder BSC Social Impact Trust</b>	UK	Ordinary	29.90	N/A <sup>3</sup>	N/A <sup>3</sup>
<b>Shared Lives Investments LP</b>	131-151 Great Titchfield Street, London W1W 5BB	Partnership interest	37.93	Holding less than 50%, no public filing required	
<b>Social Finance Care and Wellbeing Investments LLP</b>	UK	Partnership interest	50.00	3,071	(620)
<b>Social Growth Fund LLP</b>	UK	Partnership interest	50.00	7,072	344
<b>The Charity Bank Limited</b>	UK	Ordinary	63.09	26,729	(479)
<b>The Community Investment Fund L.P.</b>	4th Floor Reading Bridge House, George Street, Reading RG1 8LS	Partnership interest	55.56	12,997	(54)
<b>The Good Food Ventures LP</b>	4th Floor 20 Air Street, London W1B 5DL	Partnership interest	60.00	N/A <sup>3</sup>	N/A <sup>3</sup>
<b>The Third Sector Investment Fund LLP</b>	UK	Partnership interest	50.00	8,531	53
<b>Triodos New Horizons Limited</b>	UK	Ordinary	30.00	2	0
<b>Zamo Capital 1 Limited Partnership</b>	12 Constance Road, London E16 2DQ	Partnership interest	99.99	1,180	(627)

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

<sup>1</sup> for unincorporated undertakings, the address of its principal place of business is stated.

<sup>2</sup> 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.

<sup>3</sup> Aggregate capital and reserves and profit or loss not available, as first financial year end falls after 31 December 2020.

# The Oversight Trust- Assets for the Common Good (formerly The Big Society Trust) Notes to the Financial Statements

## 11 Debtors

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Other debtors	332	78
Prepayments	520	452
Accrued income	318	58
Treasury portfolio - derivative financial instruments	823	190
	<b>1,993</b>	<b>778</b>

## 12 Investments held as current assets

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Treasury Portfolio – cash deposits	36,679	12,575
Treasury Portfolio – listed debt securities	205,263	263,830
Treasury Portfolio – social bonds/equity/multi-asset funds	81,342	31,434
	<b>323,284</b>	<b>307,839</b>

Investments held as current assets 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.

Listed debt securities include items with a fair value of £nil (2019: £760,000), which have been pledged as collateral for a contingent liability on foreign exchange forward contracts. The collateral is adjusted daily to reflect any contingent liability arising as at the prior day close of business and is subject to a minimum transfer threshold of £250,000. The collateral can be replaced by a range of agreed alternative financial assets. The company retains the risks and rewards of ownership.

## 13 Cash and cash equivalents

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Cash at bank	110,868	105,577
Current asset investments (maturity less than three months from the date of acquisition)	82,680	11,576
<b>Cash and cash equivalents per cash flow statement</b>	<b>193,548</b>	<b>117,153</b>

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.

# The Oversight Trust- Assets for the Common Good (formerly The Big Society Trust)

## Notes to the Financial Statements

### 14 Creditors

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
<b>Amounts falling due within one year</b>		
Trade creditors	571	428
Other taxes and social security costs	200	136
Accruals	1,630	881
Grants payable	11,459	-
Deferred income - National Lottery Community Fund	78,160	76,573
Deferred income – other	4	-
Other creditors	97	767
	<b>92,121</b>	<b>78,785</b>
<b>Amounts falling due after more than one year</b>		
Deferred income - National Lottery Community Fund	480	-
	<b>480</b>	<b>-</b>

### Reconciliation of movement regarding National Lottery Community Fund monies

	Access – Foundation for Social Investment	Fair4All Finance Limited	Oversight Trust - Parent	Youth Futures Foundation Limited	Total £'000
<b>Deferred income at 31 December 2019</b>	-	30,774	576	45,223	<b>76,573</b>
Grant monies received in 2020*	21,000	-	45,410	10,000	<b>76,410</b>
Grant monies spent in 2020	(2,835)	(12,351)	(45,336)	(13,821)	<b>(74,343)</b>
<b>Deferred income at 31 December 2020</b>	<b>18,165</b>	<b>18,423</b>	<b>650</b>	<b>41,402</b>	<b>78,640</b>

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

\* Note that monies received by Access under the terms of their Service Level Agreement with NLCF for running the Growth Fund are not included here, as this is not a grant.

### 15 Deferred taxation

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Accelerated capital allowances	19	23
Adjustment in respect of prior period	529	(561)
Tax losses carried forward	(1,181)	(977)
Tax losses not recognised as a deferred tax asset	652	1,538
<b>Provision for deferred tax</b>	<b>19</b>	<b>23</b>
<b>Provision for liabilities</b>		
At 1 January 2020	23	24
Credited to the profit and loss account	(4)	(1)
<b>At 31 December 2020</b>	<b>19</b>	<b>23</b>

# The Oversight Trust- Assets for the Common Good (formerly The Big Society Trust)

## Notes to the Financial Statements

### 16 Financial risk management and financial instruments

#### Introduction

As described in the Strategic Report and the Directors' Report, starting on page 4 above, the Board of Big Society Capital is currently responsible for the majority of the investment activities of the group.

The Big Society Capital Board is responsible for the company's overall corporate governance (with additional oversight provided by the Oversight Trust), which includes ensuring that there are adequate systems of risk management. The systems and processes aim to identify, measure and report risks. Risk is controlled through a system of procedures, checks, reports and responsibilities. The Audit, Risk and Compliance Committee examines management processes and other arrangements to ensure the appropriateness and effectiveness of systems and controls, including risk management.

The Access Board and its Audit, Risk and Compliance Committee are responsible for Access's governance and risk management. To ensure that risks are managed and mitigated, a risk register is in place, which enables Access to identify and evaluate both strategic and operational risks, and the actions needed to mitigate these risks, taking into account existing and proposed controls. The Audit, Risk and Compliance Committee reviews the risk register on a quarterly basis.

The Board of Fair4All Finance is responsible for the governance of the activities of the company. The Fair4All Finance Audit and Risk Committee is responsible for overseeing management processes and other arrangements to ensure the appropriateness and effectiveness of systems and controls, including risk management. The Fair4All Finance Finance, Grants and Investments Committee is responsible for providing oversight and considering all issues related to the financial, grant and investment performance, strategy, policies, and processes of the Company and its compliance with all regulatory requirements. All investments require approval by the Board based on the recommendations from the Committee.

The Youth Futures Board and its Audit, Finance and Investment Committee (AF&I) are responsible for the company's governance and risk management. The Committee operates in accordance with written terms of reference approved by the Board, including responsibility for monitoring the Company's financial position, overseeing the effective and efficient use of resources, and making recommendations to the Board accordingly.

As described in the Strategic Report starting on page 4 above, the group's investment portfolio comprises a Social Impact Investment Portfolio and a Treasury Portfolio.

The Social Impact Investment Portfolio comprises unlisted equity investments, loans, investments in unlisted funds and investments in social impact bonds. All social investments held by Big 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 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.

#### Categories of financial instrument

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

The Oversight Trust- Assets for the Common Good  
(formerly The Big Society Trust)  
Notes to the Financial Statements  
2020

	Financial instruments measured at fair value through profit or loss £'000	Financial instruments measured at amortised cost £'000	Non- financial instruments £'000	Total £'000
<b>Assets</b>				
Tangible and intangible fixed assets	-	-	194	194
Fixed asset investments	294,169	24,826	-	318,995
Debtors	823	650	520	1,993
Investments held as current assets	141,502	181,782	-	323,284
Cash at bank and in hand	-	110,868	-	110,868
<b>Liabilities</b>				
Creditors	-	(92,601)	-	(92,601)
Deferred taxation	-	-	(19)	(19)
Non-controlling interest	-	-	(191,449)	(191,449)
	<b>436,494</b>	<b>225,525</b>	<b>(190,754)</b>	<b>471,265</b>

2019

	Financial instruments measured at fair value through profit or loss £'000	Financial instruments measured at amortised cost £'000	Non- financial instruments £'000	Total £'000
<b>Assets</b>				
Tangible and intangible fixed assets	-	-	148	148
Fixed asset investments	254,103	16,340	-	270,443
Debtors	190	136	452	778
Investments held as current assets	87,518	220,321	-	307,839
Cash at bank and in hand	-	105,577	-	105,577
<b>Liabilities</b>				
Creditors	-	(78,785)	-	(78,785)
Deferred taxation	-	-	(23)	(23)
Non-controlling interest	-	-	(190,272)	(190,272)
	<b>341,811</b>	<b>263,589</b>	<b>(189,695)</b>	<b>415,705</b>

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.

Gains and losses recognised in the profit and loss account during the period to 31 December by category are shown below:

# The Oversight Trust- Assets for the Common Good (formerly The Big Society Trust)

## Notes to the Financial Statements

2020

	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
Interest income	3,917	-	5,166	-	9,083
Fee and dividend income	399	-	-	-	399
Investment gains/(losses)	4,251	(1,219)	1,334	-	4,366
Income from grants and other resources	-	-	-	79,517	79,517
Administrative and other expenses	-	-	(560)	(36,065)	(36,625)
Tax on loss on ordinary expenses	-	-	-	(3)	(3)
	<b>8,567</b>	<b>(1,219)</b>	<b>5,940</b>	<b>43,449</b>	<b>56,737</b>

2019

	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
Interest income	5,305	-	4,110	-	9,415
Fee and dividend income	220	-	27	-	247
Investment gains/ (losses)	(2,309)	2,814	(2,333)	-	(1,828)
Income from grants and other sources	-	-	-	5,604	5,604
Administrative and other expenses	-	-	(538)	(17,741)	(18,279)
Tax on loss on ordinary expenses	-	-	-	3	3
	<b>3,216</b>	<b>2,814</b>	<b>1,266</b>	<b>(12,134)</b>	<b>(4,838)</b>

### 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, loans and receivables and cash deposits.

Investments in unlisted funds 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 Big Society Capital's 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

# The Oversight Trust- Assets for the Common Good (formerly The Big Society Trust)

## Notes to the Financial Statements

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. Big 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, with the exception of listed debt securities designated as at amortised cost, for which the credit exposure and the carrying value are shown below. The carrying value includes amortisation of the premium at purchase and does not include any market revaluation, and therefore does not represent the current credit risk.

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:

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Fixed asset investments	318,995	270,443
Other debtors	318	55
Accrued income	332	58
Social bond/equity/multi-asset funds – Investments held as current assets	81,342	31,434
Cash deposits – Investments held as current assets	36,679	12,575
Listed debt securities*	209,914	263,831
Cash deposits – Cash at bank and in hand	110,868	105,577
<b>Maximum exposure to credit risk as at the Statement of Financial Position date</b>	<b>758,448</b>	<b>683,973</b>
<b>* Included within listed debt securities:</b>	<b>Credit risk exposure</b>	<b>Carrying value</b>
	<b>£'000</b>	<b>£'000</b>
Listed debt securities designated as at amortised cost	174,349	169,698
Listed debt securities designated as at fair value	35,565	35,565
	<b>209,914</b>	<b>205,263</b>

# The Oversight Trust- Assets for the Common Good (formerly The Big Society Trust)

## Notes to the Financial Statements

As at the year end 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	2020 £'000	2019 £'000
Social bond/equity/multi-asset funds investments	AAA	49,000	-
Social bond/equity/multi-asset funds investments	Not rated	36,246	36,295
Listed debt securities	AAA	35,350	50,619
Listed debt securities	AA	29,693	53,198
Listed debt securities	A	78,837	101,784
Listed debt securities	BBB	35,151	36,163
Listed debt securities	Not rated	11,022	5,340
Unlisted debt securities	Not rated	10,849	11,505
Cash deposits – Investments held as current assets	AA	-	998
Cash deposits – Investments held as current assets	A-1	-	11,576
Cash deposits – Investments held as current assets	Not rated	24,596	362
Cash deposits – Cash at bank and in hand	A-1	122,951	89,303
Cash deposits – Cash at bank and in hand	Not rated	-	16,274
		<b>433,695</b>	<b>413,417</b>

### 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 Finance's Finance, Grants and Investments Committee. (see Note 20 – Capital commitments, for details of investment commitments).

The group's financial assets include loans, unlisted equity investments, investments in unlisted funds and investments in social impact bonds, 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:

2020	Carrying amount £'000	Contractual cash flows £'000	6 months or less
Creditors: amounts falling due within one year	13,957	13,957	8,907
Creditors: amounts falling due after more than one year	480	480	-
	<b>14,437</b>	<b>14,437</b>	<b>8,907</b>

# The Oversight Trust- Assets for the Common Good (formerly The Big Society Trust)

## Notes to the Financial Statements

2019	Carrying amount £'000	Contractual cash flows £'000	6 months or less
Creditors: amounts falling due within one year	2,212	2,212	2,212
	<u>2,212</u>	<u>2,212</u>	<u>2,212</u>

### 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.

The group has interest rate exposure. The group currently has £434.1 million 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 £4.3 million.

### 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.

### Regulatory risk

Big 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.

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

# The Oversight Trust- Assets for the Common Good (formerly The Big Society Trust) Notes to the Financial Statements 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 – Significant accounting policies, Basic financial instruments – iii.) Fair value measurement.

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

## Level One

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

## Level Two

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 Three

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 (2018 Edition):

Where an investment has been made recently, or where there has been subsequent, significant new investment into the company, a more accurate valuation is not available and there is no evidence to suggest that the unadjusted Price of Recent Investment is no longer relevant, the company may apply the Price of Recent Investment, for a limited period following the date of the relevant transaction. Where it is felt that there has been a change to the milestones or benchmark then the company will use the Price of Recent Investment adjusted to reflect milestone/benchmark analysis.

Where appropriate and reasonable earnings or revenue multiples are available for comparable businesses, the company will apply the Multiples valuation technique to derive a value for the investment.

If industry benchmarks can be applied to the investment to derive a fair value, these will be applied.

If future cash flows can be reasonably estimated, and it is felt that the risks, due to the high level of subjectivity, involved in applying the Discounted Cash Flow method do not render the method insufficiently reliable, this will be applied.

Where a regular Net Asset Valuation is available for the investment, the company will assess this for reasonableness and consider whether the investment can be valued on the basis of the underlying fair value of its assets, rather than its earnings. If this is considered appropriate the company will apply the Adjusted Net Asset Valuation method.

The group may decide to use a combination of the mentioned methods, or other methods that are considered more appropriate to derive the fair value of its investments.

# The Oversight Trust- Assets for the Common Good (formerly The Big Society Trust)

## Notes to the Financial Statements

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

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
<b>Level One</b>		
Investments held as current assets	102,462	55,561
<b>Level Two</b>		
Investments held as current assets	39,040	31,957
Derivative financial instruments	823	190
<b>Level Three</b>		
Fixed asset investments	294,169	254,103
	<b><u>436,494</u></b>	<b><u>341,811</u></b>

There have been no changes in classification of assets held at each level.

	<b>Financial assets held at fair value through profit or loss</b>
	<b>£'000</b>
<b>Balance at 1 January 2020</b>	254,103
Purchases	98,156
Sales	(61,358)
Total investment returns	3,268
<b>Balance at 31 December 2020</b>	<b><u>294,169</u></b>

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

## 18 Profit and loss account

	<b>2020</b>
	<b>£'000</b>
At 1 January 2020	415,705
Profit for the financial year	55,560
<b>At 31 December 2020</b>	<b><u>471,265</u></b>

## 19 Non-controlling interest

	<b>2020</b>
	<b>£'000</b>
At 1 January 2020	190,272
Profit in subsidiaries for the financial year	1,177
<b>At 31 December 2020</b>	<b><u>191,449</u></b>

# The Oversight Trust- Assets for the Common Good (formerly The Big Society Trust)

## Notes to the Financial Statements

### 20 Capital commitments

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

#### Investments signed and drawn down

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.

#### Investments signed, commitment undrawn

Legal agreements are completed and signed and funds (in total or partial) have not been drawn down. These are not recognised within the Statement of Financial Position, but are disclosed below.

#### In-principle commitments

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, there were capital commitments, in respect of investments signed, commitments undrawn of:

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Commitments contracted, undrawn fully or partially and not provided in the Financial Statements	197,783	237,240

As at 31 December, there were in-principle commitments of:

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
In-principle commitments (approved by subsidiary investment committees, subject to legal documentation)	25,850	42,000

### 21 Other financial commitments

	<b>Land and buildings</b>	<b>Land and buildings</b>
	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Falling due:		
- Within one year	544	513
- Within two to five years	1,645	1,753
- In over five years	-	80
	<b>2,189</b>	<b>2,346</b>

# The Oversight Trust- Assets for the Common Good (formerly The Big Society Trust) Notes to the Financial Statements

## 22 Related party transactions

During 2020 the Trust, being the parent company, purchased £45 million (2019: £nil) of £1 Ordinary A shares in Big Society Capital Limited. During 2020 Big Society Capital Limited incurred £48,000 of costs (2019: £30,000) on behalf of The Oversight Trust. No amount was outstanding at 31 December 2020 (31 December 2019: £30,000).

During the period Access – The Foundation for Social Investment, being a member of the Trust group, paid £78,400 (2019: £78,400) to Big Society Capital Limited, in respect of a licence fee for the use of its offices. As at 31 December 2020 there was an outstanding balance of £6,500 (31 December 2019: £6,500). 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, is an equity partner with Bates Wells Braithwaite London LLP, which provides legal services to the Trust. The Trust has 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 is approved by a Director other than the Chair. Professional fees of £13,330 were charged by Bates Wells Braithwaite to the Trust during the year for legal advice.

Peter Holbrook is CEO of Social Enterprise UK Limited (SEUK). His Director's fees from the Trust (£2,306) were paid to SEUK. In 2020, payments from the Trust's subsidiaries relate to: BSC's membership of SEUK (£1,500); a contribution from Access for reports on "The State of Social Enterprise: Regional Reports" (£8,750) and "The Future of Social Investment and Social Enterprise" (£15,000). SEUK also received payments from Access from the Enterprise Development Programme (£4,908) and for marketing Good Finance (£9,000).

The Impact Management Project (IMP), of which Clara Barby is Chief Executive, received £10,000 in 2020 from Big Society Capital, which acts in an Advisory Capacity on the project's Advisory Board.

The son of Helen England is paid £125 per month by Youth Futures for his participation in its Future Voices Group. The two year contract began in December 2020, with £nil paid by the end of this financial year.

Directors' and senior management emoluments are disclosed in Note 6 – Directors' and key management personnel emoluments, and in the Directors' Report starting on page 19.

## 23 Presentation currency

The financial statements are presented in sterling.

## 24 Legal form of entity and country of incorporation

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

## 25 Principal place of business

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

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

# The Oversight Trust- Assets for the Common Good (formerly The Big Society Trust) Company Annual Report and Financial Statements

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# The Oversight Trust- Assets for the Common Good (formerly The Big Society Trust) Company Statement of Financial Position

	Notes	2020 £'000	2019 £'000
<b>Fixed assets</b>			
Investments	2	426,345	381,345
		<u>426,345</u>	<u>381,345</u>
<b>Current assets</b>			
Cash at bank and in hand		691	636
<b>Creditors: amounts falling due within one year</b>		(691)	(636)
		<u>                    </u>	<u>                    </u>
<b>Net assets</b>		<b>426,345</b>	<b>381,345</b>
<b>Capital and reserves</b>			
Profit and loss account		426,345	381,345
<b>Reserves</b>		<b>426,345</b>	<b>381,345</b>

For the year ended 31 December 2020

The notes on pages 62 to 65 form part of these financial statements.

Approved by the Board on 2 August 2021 and signed on its behalf.



Sir Stuart Etherington

Chair

Company registration number: 07611016

# The Oversight Trust- Assets for the Common Good (formerly The Big Society Trust) Company Statement of Changes in Equity

For the year ended 31 December 2020

	Profit and loss account £'000	Total £'000
<b>At 1 January 2019</b>	<b>381,345</b>	<b>381,345</b>
Profit for the financial year	-	-
<b>At 31 December 2019</b>	<b>381,345</b>	<b>381,345</b>
<b>At 1 January 2020</b>	<b>381,345</b>	<b>381,345</b>
Profit for the financial year	45,000	45,000
<b>At 31 December 2020</b>	<b>426,345</b>	<b>426,345</b>

The notes on pages 62 to 65 form part of these financial statements.

# The Oversight Trust- Assets for the Common Good (formerly The Big Society Trust) Notes to the Financial Statements

For the year ended 31 December 2020

## 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. They have been prepared under the historical cost convention.

The financial statements have been prepared on the going concern basis. The Oversight Trust (the Trust) is considered to be a qualifying entity (for the purpose of the FRS) and has applied the exemption available under FRS 102 not to present a cash flow statement and related notes.

The financial statements are presented in thousands of pounds sterling, which is the company's functional currency.

### Use of judgements and estimates

The preparation of the financial statements in conformity with applicable UK GAAP requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an on-going basis.

### Basic financial instruments

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

- Financial assets at amortised cost:
  - Cash at bank and in hand and other debtors
- Financial liabilities at amortised cost:
  - Creditors.

### Investment in subsidiaries

Investments in subsidiaries are carried at cost less impairment.

# The Oversight Trust- Assets for the Common Good (formerly The Big Society Trust)

## Notes to the Financial Statements

### 2 Fixed asset investments

	<b>Total £'000</b>
<b>Cost</b>	
At 1 January 2020	381,345
Additions	45,000
<b>At 31 December 2020</b>	<b>426,345</b>

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	Profit for the financial year £'000
Access - The Foundation for Social Investment	N/A	New Fetter Place, 8-10 New Fetter Lane, London, EC4A 1AZ	100	50,886	709
Big Society Capital Limited	Ordinary A shares	New Fetter Place, 8-10 New Fetter Lane, London, EC4A 1AZ	68	604,478	3,687
Fair4All Finance Limited	N/A	2 <sup>nd</sup> Floor, 28 Commercial Street, London, E1 6LS	100	12,000	(3)
Youth Futures Foundation Limited	N/A	Tintagel House, 92 Albert Embankment, London, SE1 7TY	100	-	-

Big 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.

# The Oversight Trust- Assets for the Common Good (formerly The Big Society Trust)

## Notes to the Financial Statements

### 3 Creditors: amounts falling due within one year

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Amounts owed to group undertakings and undertakings in which the company has an interest	-	30
Accruals	41	30
Deferred income	650	576
	<u><b>691</b></u>	<u><b>636</b></u>

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 and Reconciliation of movements in members' funds

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
At 1 January 2020	381,345	381,345
Profit for the financial year	45,000	-
<b>At 31 December 2020</b>	<u><b>426,345</b></u>	<u><b>381,345</b></u>

### 5 Related party transactions

During 2020 the Trust, being the parent company, purchased £45 million (2019: £nil) of £1 Ordinary A shares in Big Society Capital Limited. During 2020 Big Society Capital Limited incurred £48,000 of costs (2019: £30,000) on behalf of The Oversight Trust. No amount was outstanding at 31 December 2020 (31 December 2019: £30,000).

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The son of Helen England is paid £125 per month by Youth Futures for his participation in its Future Voices Group. The two year contract began in December 2020, with £nil paid by the end of this financial year.

### 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.

# The Oversight Trust- Assets for the Common Good (formerly The Big Society Trust) Notes to the Financial Statements

## 8 Principal place of business

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New Fetter Place  
8 – 10 New Fetter Lane  
London  
EC4A 1A