

SASC Trust

Report and Financial Statements

For the year ended 31 December 2019

Company Limited by Guarantee
Registration Number
10723106 (England and Wales)

Charity Registration Number 1176848

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Reference and administrative information

Trustees	Craig Dearden-Phillips Benjamin Rick Nathaniel Sloane Nicola Pollock Vinayak Nair
Registered address	2 nd Floor Euston House 24 Eversholt Street London NW1 1AD
Company registration number	10723106
Charity registration number	1176848
Accountants	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	Santander 100 Ludgate Hill London EC4M 7RE
Solicitors	Bates Wells & Braithwaite London LLP 10 Queen Street Place London EC4R 1BE

Trustees' report
Year ended 31 December 2019

The trustees present their statutory report along with the financial statements for SASC Trust for the year ended 31 December 2019.

The financial statements have been prepared in accordance with the accounting policies set out on pages 12 and 13 and comply with the charity's governing document, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102)".

Structure

SASC Trust was incorporated on 12 April 2017 as a private limited company by guarantee without share capital using 'Limited' exemption. Its sole member is Social and Sustainable Capital LLP.

Governance and management

The trustees (who are the key management personnel of the charity) make the key decisions about the conduct of the charity. The trustees do not receive any remuneration for their services to the charity.

Recruitment and appointment of trustees

Trustees are appointed in accordance with the charity's governing document which states that there must be a minimum of three charity trustees. Trustees are appointed by Social and Sustainable Capital LLP. Two additional trustees were appointed in August 2019.

Trustees

The trustees of the charity, who are also the directors of the company, during the year ended 31 December 2019 were:

Benjamin Rick
Craig Dearden-Phillips
Nathaniel Sloane
Nicola Pollock (appointed on 1 August 2019)
Vinayak Nair (appointed on 1 August 2019)

Trustee induction and training

The charity trustees control the charity and its funds. Each trustee is made aware of their duties as a trustee upon appointment and accepts their responsibility to keep up to date with changes in statutory requirements that affect the role and responsibilities of trustees.

Risk management

Business decisions and the associated risk factors are considered at least annually. As part of this process the internal controls that are in place are reviewed. Internal control risks are minimised by a clear system of delegated authority and control, and procedures for the authorisation of all financial transactions. The trustees are satisfied that these are currently adequate to manage and reduce the risks identified.

Trustees' report
Year ended 31 December 2019

Objectives and activities of the charity

The Objectives of the Charity are to further charitable purposes for the public benefit.

The Trustees seek to achieve these objectives by making loans and other investments in social enterprises and by making charitable grants to such organisations.

The main immediate focus of the Trust is to make investments in a housing fund, Social and Sustainable Housing LP (SASH LP), for onward lending to organisations to enable them to alleviate charitable needs in social housing.

Future returns generated from the Trust's investments will be used by the Trust to advance its charitable activities.

Achievements and Performance

During the reporting year, the Trust has received significant grant funding to invest in the housing fund, SASH LP, in order to support the charitable and social impact of that fund. The Trust has also been involved in making the necessary arrangements for its investment in the housing fund following the fund's launch in 2019.

Public Benefit Statement

The trustees of the charity have given due regard to the Charity Commission's guidance on public benefit and have taken reasonable steps to ensure that this guidance has been considered in the activities undertaken by the charity to deliver its charitable purposes.

Financial Review

The results for the year are shown in the statement of the financial activities on page 9. During the year ended 31 December 2019, the charity received grants and donations of £4,047,500 (2018: £2,007,500). Support costs for the year totalled £26,714 (2018: £5,574). In addition to the above, the charity incurred a loss on the value of investments of £177,122 (2019: £nil).

The balance of the charity's restricted reserves as at 31 December 2019 was £5,840,378 (2018: £2,000,000). Unrestricted reserves were £39,726 as at 31 December 2019 (2018: £1,943). The level of funds held by the charity will be used for investment SASH LP which supports charities wishing to purchase properties in order to provide safe and secure housing for their beneficiaries.

Reserves Policy and Financial Position

The level of reserves is monitored and reviewed by the trustees at least annually. The trustees believe that the charity should target to hold unrestricted reserves at a level which will enable further grant giving and social investment from both the capital of the charity and the income generated thereon. The trustees consider that the charity's costs are low in comparison to the level of reserves and assets held.

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern.

Trustees' report
Year ended 31 December 2019

Future plans

The trustees have not yet been able to fully assess the financial and non-financial impact of the COVID-19 pandemic in 2020 and future years. However, the charity remains in a strong financial position and since the year end has received further donations of £7,100,000 for investment in Social and Sustainable Housing LP (SASH LP). The trust's investment in SASH LP could possibly be impacted by the COVID-19 crisis if the fund's borrowers experience operational or other issues that delay or prevent the payment of interest or principal when due. However, the fund's loans are secured on residential properties and the rental income on these is largely government funded so it unlikely that there will be much of an adverse impact from the COVID-19 pandemic.

The day to day accounting and administration of the SASC Trust is performed by staff of SASC LLP who have been working remotely using that firm's IT infrastructure. The COVID-19 crisis has not presented any problems to the satisfactory delivery of the trust's accounting and administration requirements.

Statement of Trustees' Responsibilities

The trustees (who are directors of SASC Trust for the purposes of company law) are responsible for preparing the trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees 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 charitable company and of the income and expenditure of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

Trustees' report
Year ended 31 December 2019


Statement of Trustees' Responsibilities (continued)

Each of the trustees confirms that:

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

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

Approved by the trustees and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'Ben Rick', with a long horizontal stroke extending to the right.

Trustee: Ben Rick

Date: 22/10/20

**Independent auditor's report
Year ended 31 December 2019**

Independent auditor's report to the member of SASC Trust

Opinion

We have audited the financial statements of SASC Trust (the 'charitable company') for the year ended 31 December 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 December 2019 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

**Independent auditor's report
Year ended 31 December 2019**

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- ◆ the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

**Independent auditor's report
Year ended 31 December 2019**

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report

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



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

29/10/20

Statement of financial activities Year ended 31 December 2019
(including income and expenditure statement)

	Notes	Unrestricted funds £	Restricted funds £	2019 £	Unrestricted funds £	Restricted funds £	2018 £
Income and expenditure							
Income from:							
Grants and donations	1	30,000	4,017,500	4,047,500	7,500	2,000,000	2,007,500
Investment income	2	34,497	—	34,497	17	—	17
Total income		64,497	4,017,500	4,081,997	7,517	2,000,000	2,005,017
Expenditure on:							
Charitable activities	3	26,714	—	26,714	5,574	—	5,574
Total expenditure		26,714	—	26,714	5,574	—	5,574
Net income		37,783	4,017,500	4,055,283	1,943	2,000,000	2,001,943
Investment losses		—	(177,122)	(177,122)	—	—	—
Net movement in funds		37,783	3,840,378	3,878,161	1,943	2,000,000	2,001,943
Balances brought forward at 1 January 2019		1,943	2,000,000	2,001,943	—	—	—
Balances carried forward at 31 December 2019		39,726	5,840,378	5,880,104	1,943	2,000,000	2,001,943

All recognised gains and losses are included in the above statement of financial activities.

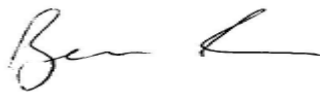
All of the charity's activities derive from continuing operations from the year of report.

Balance sheet
31 December 2019

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	Notes	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Investment in SASH LP	6		613,242		—
Current assets					
Debtors	7	—		2,500	
Cash at bank and in hand		5,279,288		<u>2,005,017</u>	
		5,279,288		2,007,517	
Creditors: amounts falling due within one year	8	(12,426)		(5,574)	
Net current assets			5,266,862		<u>2,001,943</u>
Total net assets			5,880,104		<u>2,001,943</u>
Represented by:					
Restricted funds	9		5,840,378		2,000,000
Unrestricted funds					
General fund			39,726		<u>1,943</u>
			5,880,104		<u>2,001,943</u>

Approved by the Board of Trustees
and signed on its behalf by:



Trustee:

Date: 22/10/20

SASC Trust- Company Registration Number: 10723106 (England and Wales)

Statement of cash flows
Year ended 31 December 2019

	Notes	2019 £	2018 £
Cash flows from operating activities:			
Net cash provided by operating activities	A	<u>3,853,016</u>	<u>2,005,000</u>
Cash flows from investing activities:			
Interest received		34,497	17
Investment in SASH LP		<u>(613,242)</u>	<u>—</u>
		<u>(578,745)</u>	<u>17</u>
Change in cash and cash equivalents in the year		3,274,271	2,005,017
Cash and cash equivalents at 1 January 2019	B	2,005,017	—
Cash and cash equivalents at 31 December 2019	B	<u>5,279,288</u>	<u>2,005,017</u>

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

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

	2019 £	2018 £
Net movement in funds (as per the statement of financial activities)	3,878,161	2,001,943
Adjustments for:		
Interest received	(34,497)	(17)
Increase in creditors	6,852	5,574
Decrease (increase) in debtors	2,500	(2,500)
Net cash provided by operating activities	<u>3,853,016</u>	<u>2,005,000</u>

B Analysis of cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	<u>5,279,288</u>	<u>2,005,017</u>
Total cash and cash equivalents	<u>5,279,288</u>	<u>2,005,017</u>

Principal accounting policies Year ended 31 December 2019

Basis of preparation

These accounts have been prepared for the year ended 31 December 2019.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or in the notes to these accounts.

The accounts have been prepared in accordance with “Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the financial reporting standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (Charities SORP (FRS 102))”, the financial reporting standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

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

Critical accounting estimates and areas of judgement

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

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

- Valuation of the investment in SASH LP.

In addition, the full impact of the ongoing global coronavirus pandemic (COVID-19) is still unknown. It is therefore not currently possible to evaluate all the potential implications for the charity’s activities, beneficiaries, funders, suppliers and the wider economy.

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

Assessment of going concern

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

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

Income recognition

Income is recognised in the year in which the charity is entitled to receipt, the amount can be measured reliably and it is probable that income will be received. Where income relates to future years, this income will be deferred.

Principal accounting policies Year ended 31 December 2019

Donations received for the general purposes of the charitable company are included as unrestricted funds; grants and donations for activities restricted by the wishes of the donor are taken to restricted funds.

Expenditure

Expenditure is recognised as soon as there is a legal or constructive obligation committing there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefit will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is included in the accounts on an accruals basis and includes attributable VAT which cannot be recovered.

Investment in SASH LP

Investments are recognised at fair value when they can be reliably determined from market data or evidence of transactions in similar assets. Where it is not possible to reliably measure fair value and no acceptable valuation model is available, investments are carried at cost less impairment.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisitions.

Debtors

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

Creditors and provisions

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

Taxation

SASC Trust is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

Fund accounting

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

General unrestricted funds are available for use at the discretion of the trustees in the furtherance of the general objectives of the charitable company.

Notes to the financial statements Year ended 31 December 2019

1 Donations and legacies

	Unrestricted funds £	Restricted funds £	2019 £	2018 £
Donations	—	50,000	50,000	7,500
Grants	30,000	3,967,500	3,997,500	2,002,500
2019 Total funds	30,000	4,017,500	4,047,500	2,007,500

	Unrestricted funds £	Restricted funds £	2018 £
Donations	7,500	—	7,500
Grants	—	2,000,000	2,000,000
2018 Total funds	7,500	2,000,000	2,007,500

2 Investment income

	Unrestricted funds £	Restricted funds £	2019 £	2018 £
Interest receivable	34,497	—	34,497	17
2019 Total funds	34,497	—	34,497	17

	Unrestricted funds £	Restricted funds £	2018 £
Interest receivable	17	—	17
2018 Total funds	17	—	17

3 Expenditure

	Unrestricted funds £	Restricted funds £	2019 £	2018 £
Support costs:				
Administrative expenses	3,333	—	3,333	—
Audit and accountancy fees	9,008	—	9,008	4,420
Professional fees	14,373	—	14,373	1,154
	26,714	—	26,714	5,574

	Unrestricted funds £	Restricted funds £	2018 £
Support costs:			
Bank charges	—	—	—
Audit and accountancy fees	4,420	—	4,420
Professional fees	1,154	—	1,154
	5,574	—	5,574

4 Net movement in funds

The net movement in funds for the financial year is stated after charging:

	2019 £	2018 £
Auditor's remuneration (excluding VAT):		
Tax services	960	575
Audit fees	5,400	2,500
Non-audit fees	1,850	1,500

5 Trustees' remuneration

No trustees received any emoluments for their services as trustees during the year (2018: none). No trustees were reimbursed any expenses during the year (2018: none).

6 Investment in SASH LP

	2019 £	2018 £
Net assets brought forward	—	—
Additions to investment pool	790,364	—
Net investment losses	(177,122)	—
	613,242	—
Income received for investment	6,050,000	—
Less: distributions for charitable expenditure	(32,500)	—
Less: cash held (not drawn down)	(5,227,136)	—
Less: investment losses	(177,122)	—
	613,242	—

The losses reflect the establishment costs of the SASH LP fund. The income cash flows from the fund's investments have not started in the reporting period.

7 Debtors

	2019 £	2018 £
Accrued income	—	2,500
	—	2,500

8 Creditors: amounts falling due within one year

	2019 £	2018 £
Accruals	11,543	5,574
Other creditors	883	—
	12,426	5,574

9 Restricted funds

	Total at 31 December 2019	<i>Total at 31 December 2018</i>
	£	£
Cash held for investment on behalf of donors	5,227,136	2,000,000
Invested in SASH LP	613,242	—
	5,840,378	2,000,000

The restricted funds are for making investments in the housing fund, Social and Sustainable Housing, in order to support the charitable and social impact of the fund's lending. At the end of the fund's life the trust may repay the funds invested as a grant which may only be applied in line with the trust's charitable objects and subject to any restrictions placed on the original grant to the trust.

10 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
Represented by:			
Investment in SASH LP	—	613,242	613,242
Cash at bank and in hand	52,152	5,227,136	5,279,288
Creditors: amounts falling due within one year	(12,426)	—	(12,426)
	39,726	5,840,378	5,880,104

11 Related party transactions

There were no related party transactions during the year (2018 - none).

12 Post balance sheet events

Prior to the date that the financial statements were approved, the coronavirus (COVID-19) outbreak had spread worldwide and caused extensive disruptions to businesses as well as economic activities globally including the UK.

The day to day accounting and administration of the SASC Trust is performed by staff of SASC LLP who have been working remotely using that firm's IT infrastructure. The COVID-19 crisis has not presented any problems to the satisfactory delivery of the trust's accounting and administration requirements.

13 Liability of member

The charity is constituted as a company limited by guarantee. In the event of the charity being wound up its member is required to contribute an amount not exceeding £1.

14 Control

Control of the charitable company lies with its sole member, Social and Sustainable Capital LLP (SASC LLP), a registered limited liability partnership (Company Registration Number 0C378659). The registered office of the company is 4th Floor, Reading Bridge House, George Street, Reading, Berkshire, RG1 8LS.