

NORTH EAST ACCESS TO FINANCE LIMITED
(A Company Limited by Guarantee)

Annual Report and Financial Statements

For The Year Ended 31 March 2021

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NORTH EAST ACCESS TO FINANCE LIMITED

REPORT AND FINANCIAL STATEMENTS 2021

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CORPORATE INFORMATION

DIRECTORS

H P Florek Chair
A M Conn
S J Lightley
K L H Winskell OBE DL

SECRETARY

A J Arkless

REGISTERED OFFICE

3rd Floor
Baltimore House
Abbots Hill
Gateshead
NE8 3DF

PRINCIPAL BANKERS

Barclays Bank plc
Barclays House
5 St Ann's Street
Quayside
Newcastle upon Tyne
NE1 3DX

AUDITOR

Armstrong Watson Audit Limited
Statutory Auditor
Suite 15 & 17
11 Waterloo Street
Newcastle upon Tyne
NE1 4DP

SOLICITORS

Ward Hadaway
Sandgate House
102 Quayside
Newcastle upon Tyne
NE1 3DX

STRATEGIC REPORT

The Directors, in preparing this Strategic Report, have complied with s414C of the Companies Act 2006. This Strategic Report has been prepared for the Group as a whole and therefore gives greater emphasis to those matters that are significant to North East Access to Finance Limited ("NEA2F") and its subsidiary undertakings when viewed as a whole. North East Access to Finance Limited is the parent company of North East Finance (Holdco) Limited, the Holding Fund Manager for the Finance for Business North East Fund.

REVIEW OF THE BUSINESS

The principal activities of the Group are the maximisation and supervision of legacy returns on investments made from the Finance for Business North East Fund and other historical investment funds that have operated in the region and the deployment of such funds to finance future access to finance provision in the North East of England.

The Finance for Business North East Fund invested in seven regional sub-funds that, in turn, invested in small and medium sized enterprises ("SMEs") in the North East of England. The role of North East Finance (Holdco) Limited, the Holding Fund Manager, involves oversight of those portfolios now managed in-house, monitoring the performance of external fund managers, reporting to the key stakeholders of the Fund on the accumulation of legacy and ensuring that the overall objectives of the Fund are achieved. The Finance for Business North East Fund closed for investment in December 2016 and the focus of that company is now on realising its investments.

The North East Regional Investment Fund Partner Limited and NEA2F Subco Limited continue to hold historical, regional funds relating to investments made some time ago in SMEs based in the North East of England. These funds are held for redeployment into future investment funds for SMEs based in the region and to meet the operating costs of the parent company.

During the year, a further £3m has been redeployed from the legacy funds to The North East Fund Limited. This company manages The North East Fund that was launched in 2018 to provide financial investment for early stage businesses in the North East LEP area. The cumulative redeployment of legacy funds into this fund has now reached £18m and further redeployments are planned in the future.

During the year, a sum of £256k has been granted to support a project being undertaken in the Tees Valley by Teesside University under the direction of Tees Valley Combined Authority ("TVCA") for the benefit of local SMEs.

The Department for Business, Energy & Industrial Strategy ("BEIS") continues to monitor rights in relation to Single Programme investments. These rights are exercised through the British Business Bank ("BBB"). The Ministry of Housing, Communities & Local Government ("MHCLG"), remains responsible for monitoring European Regional Development Fund ("ERDF") funds and the rights in relation to ERDF investments.

Together, these portfolios will generate a financial return that will be used to create a legacy fund for the on-going benefit of the region, as well as delivering regeneration returns such as jobs and companies created.

STRATEGIC REPORT (continued)

KEY PERFORMANCE INDICATORS

Performance targets for the investment funds under the control of the Group were set by stakeholders when the funds were originally established and progress towards meeting these targets was monitored during the investment phases of those funds. However, in the current realisation phases of the funds, it is now the level of generation of financial legacy that is the principal criterion for measurement of ongoing performance. To date, the combined legacy funds have reinvested £24m (2020: £21m).

PRINCIPAL RISKS AND UNCERTAINTIES

In respect of the Company, the key uncertainty considered by management is whether sufficient funding will be in place to meet the Company's on-going overheads. NEA2F has been authorised by MHCLG, BEIS and The North East LEP and TVCA ("the LEPs") to continue in its role of legacy management and stewardship for the foreseeable future, and to have legacies directed to meet its operating costs subject to the approval of annual business plans by MHCLG and BEIS. Other risks are considered in the Directors' Report.

The Directors seek to maximise the financial returns from the funds, safeguard legacy assets and plan to redeploy them into new funds for the benefit of SMEs in the North East of England.

The specific financial and funding risks of the individual Group subsidiaries are disclosed within the Strategic Reports of those undertakings.

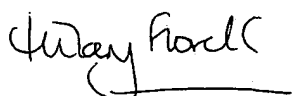
FUTURE DEVELOPMENTS AND EVENTS AFTER THE BALANCE SHEET DATE

There have been no events of significance since the year-end.

Over the coming year, the Company and Group are expected to continue to maximise the accumulation of legacy from funds under realisation and to deploy legacy into new funds to support the North East region.

The COVID pandemic has affected the operations of the Company and Group significantly with all staff employed by the Group working mainly from home and interactions within and outside of the organisation having been effected exclusively on line. It is the view of the Board, however, that there has been no loss of productivity in the management and administration of operations and in the oversight of investment portfolios.

The potential impact of the COVID 19 pandemic on the future prospects for the portfolio investments in the funds, and therefore on the creation of legacy, is still difficult to assess. At the time of approval of these financial statements, it seems that the main impact will be to lead to a delay in the timescale by which exits might be achieved rather than to a permanent and significant impairment in the value of the overall legacy that is likely to be created over time.



H P Florek
Chair

Date: 22 September 2021

DIRECTORS' REPORT

The Directors present their annual report on the affairs of the Group and Company, together with the financial statements and auditor's report, for the year ended 31 March 2021.

The Company, as a qualifying entity, has taken advantage of the disclosure exemptions in FRS 102 paragraph 1.

FUTURE DEVELOPMENTS AND EVENTS AFTER THE BALANCE SHEET DATE

Details of future developments and events that have occurred after the balance sheet date can be found in the Strategic Report on pages 2 to 3 and form part of this report by cross-reference.

GOING CONCERN

At the year-end, the Company had net current liabilities of £4k (2020: £1k) with total creditors of £91k (2020: £71k).

The Group balance sheet shows net current assets of £51m at 31 March 2021 (2020: £43m). However, these include debtors either not due or unlikely to be received within one year of £41m (2020: £33m). Consequently, after these are taken into account, the Group's true net current assets were £10m (2020: £10m).

The Group has consolidated net assets of £NIL (2020: £NIL) with total creditors of £66m (2020: £52m), predominantly related to the various legacy funds.

The parent company is funded from historical legacy funding and North East Finance (Holdco) Limited is funded from investment returns from The Finance for Business North East Fund.

Having given due regard to the level of cash balances and the funding agreements that are in place, and the potential impact of COVID-19 pandemic on the Group's portfolio of investments, the Directors are of the opinion that the Company can meet its obligations as they fall due. The key uncertainty considered by management is whether sufficient funding will be in place to meet the Company's on-going overheads. The Company has been authorised by stakeholders to continue in its role of legacy management for the foreseeable future, and to have legacies directed to meet its operating costs until 2023 subject to the approval of regular business plans by the stakeholders. Subject to this, BBB, acting as agent for BEIS, has confirmed that legacy funding can be used by the Company to meet its on-going overheads for a period of 12 months from the date of approval of the balance sheet.

North East Finance (Holdco) Limited must comply with the terms of the grant agreements from BEIS and ERDF in regard to The Finance for Business North East Fund. Failure to comply with the terms of these grant agreements could lead to a clawback of grants made. Systems have been put in place to ensure that conditions are adhered to and North East Finance (Holdco) Limited is subject to regular monitoring and reporting requirements.

The Directors of North East Finance (Holdco) have prepared that company's financial statements on a going concern basis on the grounds that the company has adequate resources to continue in operational existence for the foreseeable future. In making this assessment, the Directors have taken account of the level of funds accumulated that can be used to meet the operating costs of North East Finance (Holdco) Limited, were there to be any shortfall in the timing and level of future returns, and have concluded that adequate cover is available to meet future operating costs of the company for the foreseeable future.

DIRECTORS' REPORT (continued)

GOING CONCERN (continued)

Whilst there can be no complete certainty on such matters, the Directors of North East Access to Finance Limited note that the Directors of North East Finance (Holdco) Limited currently believe that it is reasonable to conclude that North East Finance (Holdco) Limited remains a going concern.

Accordingly, after making enquiries and reviewing the Group's budgets, forecasts and funding agreements, the Directors have a reasonable expectation that the Company and Group have adequate resources to continue in operational existence for at least the period to 31 December 2022 and they continue to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies in Note 1 to the financial statements.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a number of financial risks including credit risk and liquidity risk.

Credit risk

The Group's principal financial assets are bank balances, concessionary loans to limited partnerships and investments in SMEs.

The greatest areas of credit risk are attributable to loans made to limited partnerships that, in turn, lend to SMEs, and to investments made directly by Group undertakings into SMEs. There is a risk of non-recoverability of a part of these loans and there are processes in place to mitigate these risks, including the quarterly review of portfolios.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies. The Group has no significant concentration of credit risk, with exposure spread over a number of counterparties in line with the idle funds policy of the Group.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Group and Company use a mixture of instant access accounts and short-term bank deposits.

SUPPLIER PAYMENT POLICY

The Company's policy regarding the payment of suppliers is either to agree terms of payment in the course of business with each supplier or to make suppliers aware of the payment terms and, in either case, to pay in accordance with the agreed terms. During the year, the average number of days taken to pay suppliers was 15 days (2020: 8 days).

DISABLED EMPLOYEES

The Company gives full and fair consideration to applications for employment by disabled persons, having regard to their respective aptitudes and abilities. The Company's policy, where

DIRECTORS' REPORT (continued)

applicable, includes the continued employment of those who may become disabled during their employment.

RESULTS

The detailed results of the Group and the Company for the period are set out in detail on pages 11 to 12.

DIRECTORS

The Directors who served throughout the year were as follows:

H P Florek (Chair)
A M Conn
S J Lightley
K L H Winskell OBE DL

DIRECTORS' INDEMNITIES

The Company has qualifying third party indemnity provisions for the benefit of its Directors that were made during the year and remain in force at the date of this report.

AUDITOR

Each of the Directors at the date of approval of this report separately confirms that:

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

During the year, Armstrong Watson Audit Limited were appointed as auditors of the Company and, in accordance with s485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for the reappointment of Armstrong Watson Audit Limited as independent auditors of the Company.

Approved by the Board of Directors and signed on their behalf on 22 September 2021.



H P Florek
Chair

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing their annual report and the 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, the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), 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 Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 Company and hence for taking reasonable steps for the prevention and detection of 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 United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORTH EAST ACCESS TO FINANCE LIMITED

Opinion

We have audited the financial statements of North East Access to Finance Limited (the 'Parent Company') and its subsidiaries ('the Group') for the year ended 31 March 2021, which comprise the Group Income Statement, the Group and Company Balance sheets, the Group and Company Statement of changes in equity and the related notes, including a summary of significant accounting policies. 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 Group's and of the Parent Company's affairs as at 31 March 2021 and of the Group's result 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORTH EAST ACCESS TO FINANCE LIMITED (continued)

Opinion on other matters prescribed by the Companies Act 2006

In light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Directors' Report.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' 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 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.

Responsibilities of directors

In preparing the financial statements, the directors are responsible for assessing the Group's and the 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 the directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

In the Directors' responsibilities statement on page 7, the directors 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 directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

NORTH EAST ACCESS TO FINANCE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORTH EAST ACCESS TO FINANCE LIMITED (continued)

We assessed the susceptibility of the Parent Company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected or alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

In addressing the risk of fraud through management bias and override of controls, we:

- performed analytical procedures as a risk assessment tool to identify any unusual or unexpected relationships; and
- tested journal entries to identify unusual transactions; and
- tested the operating effectiveness over quarterly reporting; and
- reviewed a sample of provisions against investments held and supporting management information.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation; and
- enquiring of management as to actual and potential litigation and claims.

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

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 Auditors' Report.

Use of our report

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 Auditors' 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.



Simon Turner (Senior statutory auditor)

Armstrong Watson Audit Limited
Suite 15/17, 11 Waterloo Street,
Newcastle upon Tyne
NE1 4DP
Date: 23 September 2021

NORTH EAST ACCESS TO FINANCE LIMITED

CONSOLIDATED INCOME STATEMENT Year ended 31 March 2021

	Note	2021 £	2020 £
TURNOVER	3	866,729	710,611
Administration expenses		(1,528,119)	(1,413,041)
Decrease / (increase) in provisions against investments and loans to investment funds		12,024,518	(4,148,324)
Unrealised gains on revaluation of investments		3,289,007	508,550
		<hr/>	<hr/>
OPERATING PROFIT / (LOSS)	5	14,652,135	(4,342,204)
Interest receivable and similar income	6	15,431	74,592
Interest payable	7	-	(12,170)
Other recharges	8	(14,667,566)	4,279,782
		<hr/>	<hr/>
RESULT BEFORE TAXATION		-	-
Tax on result	9	-	-
		<hr/>	<hr/>
RESULT AFTER TAXATION		<hr/>	<hr/>

All activities derive from continuing operations.

There is no other income or expense for the current financial year or prior year other than as stated in the Income Statement. Accordingly, no separate statement of Other Comprehensive Income has been presented.

The notes on pages 16 to 30 are integral to the financial statements.

NORTH EAST ACCESS TO FINANCE LIMITED

COMPANY INCOME STATEMENT Year ended 31 March 2021

	Note	2021 £	2020 £
TURNOVER	3	557,711	467,449
Administration expenses		<u>(557,723)</u>	<u>(467,919)</u>
OPERATING LOSS	5	(12)	(470)
Interest receivable	6	12	470
		<u> </u>	<u> </u>
RESULT BEFORE AND AFTER TAXATION		<u> -</u>	<u> -</u>

All activities are derived from continuing operations.

There is no other comprehensive income or expense for the current financial year or prior year other than as stated in the Income Statement. Accordingly, no separate statement of Other Comprehensive Income has been presented.

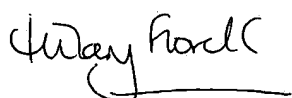
NORTH EAST ACCESS TO FINANCE LIMITED

CONSOLIDATED BALANCE SHEET As at 31 March 2021

	Note	£	2021 £	£	2020 £
FIXED ASSETS					
Investments	10	14,170,466		9,018,273	
Tangible fixed assets	11	5,380		3,171	
			14,175,846		9,021,444
CURRENT ASSETS					
Debtors					
Due within one year	12	41,511,658		33,782,292	
Cash at bank and in hand	13	9,600,375		3,385,769	
Cash investments	14	1,254,675		6,584,298	
		52,366,708		43,752,359	
CREDITORS: amounts falling due within one year	15	(882,747)		(845,551)	
NET CURRENT ASSETS			51,483,961		42,906,808
TOTAL ASSETS LESS CURRENT LIABILITIES			65,659,807		51,928,252
CREDITORS: amounts falling due after more than one year	16		(65,659,807)		(51,928,252)
NET ASSETS			-		-
RESERVES					
Profit and loss account	18		-		-
TOTAL FUNDS			-		-

The financial statements of North East Access to Finance Limited, (registered number 07000338), were approved by the Board of Directors and authorised for issue on 22 September 2021.

Signed on behalf of the Board of Directors



H P Florek
Chair

NORTH EAST ACCESS TO FINANCE LIMITED

COMPANY BALANCE SHEET As at 31 March 2021

	Note	£	2021 £	£	2020 £
FIXED ASSETS					
Investments	10	1		1	
Tangible fixed assets	11	4,364		1,563	
			4,365		1,564
CURRENT ASSETS					
Debtors	12	7,861		7,534	
Cash at bank and in hand		79,345		62,717	
		87,206		70,251	
CREDITORS: amounts falling due within one year	15	(91,571)		(71,815)	
NET CURRENT LIABILITIES			(4,365)		(1,564)
NET ASSETS			-		-
RESERVES					
Profit and loss account			-		-
TOTAL FUNDS			-		-

The financial statements of North East Access to Finance Limited, (registered number 07000338), were approved by the Board of Directors and authorised for issue on 22 September 2021.

Signed on behalf of the Board of Directors



H P Florek
Chair

NORTH EAST ACCESS TO FINANCE LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY As at 31 March 2021

GROUP	Profit and loss account £	Members' funds/(deficit) £
At 1 April 2019	-	-
Result for the year	-	-
At 1 April 2020	-	-
Result for the year	-	-
At 31 March 2021	-	-

COMPANY STATEMENT OF CHANGES IN EQUITY As at 31 March 2021

COMPANY	Called up Share capital £	Profit and loss account £	Total £
At 1 April 2019	-	-	-
Result for the year	-	-	-
At 1 April 2020	-	-	-
Result for the year	-	-	-
At 31 st March 2021	-	-	-

NOTES TO THE FINANCIAL STATEMENTS **For the year ended 31 March 2021**

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

General information and basis of accounting

North East Access to Finance Limited is a company limited by guarantee, registered in England and Wales and incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is given on page 1. The nature of the group's operations and its principal activities are set out in the Strategic Report on pages 2 to 3.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with FRS 102 issued by the Financial Reporting Council.

The functional currency of North East Access to Finance Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates. The consolidated financial statements are also presented in pounds sterling.

North East Access to Finance Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements that are presented alongside the consolidated financial statements. Exemptions have been taken in relation to financial instruments, presentation of a cash flow statement, intra-group transactions and remuneration of key management personnel.

Basis of consolidation

The Group's financial statements consolidate the financial statements of the Company and its subsidiaries drawn up to 31 March each year. The results of subsidiaries acquired or sold are consolidated from or to the date on which control passed. Acquisitions are accounted for under the acquisition method.

Investments by the subsidiaries in SMEs have been made either directly by the subsidiaries or through the medium of limited partnerships.

Where investments have been made by the subsidiaries in SMEs through the medium of limited partnerships, the transactions, assets and liabilities of those partnerships have not been consolidated into the Group's financial statements as control over the management and operations of the limited partnerships is held by the general partners of the partnerships.

All intra-group transactions, balances, income and expenses are eliminated on consolidation. In accordance with Section 35 of FRS 102, Section 19 of FRS 102 has not been applied in these financial statements in respect of business combinations effected prior to the date of transition.

Public benefit entity

North East Access to Finance Limited and its subsidiaries are entities whose primary objective is to provide investment in the North East of England for the benefit of the local economy rather than to provide a financial return to the members of the Company. As such, the Group has adopted the accounting treatment for Public Benefit Entities within FRS102.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2021

1. ACCOUNTING POLICIES (continued)

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position, including the potential effect of the COVID-19 pandemic on the Group, are set out in the Strategic Report. The Directors' Report further describes the financial position of the Group, its cash flows, liquidity position and borrowing facilities, the Group's objectives, policies and processes for managing its capital, its financial risk management objectives, details of its financial instruments and hedging activities and its exposure to credit risk and liquidity risk.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue to adopt the going concern basis in preparing the financial statements as stated in the Directors' Report.

Grants

The Group receives grants from BEIS and MHCLG. Grants of a revenue nature and in respect of the Company's core operating costs are credited directly to the Income Statement. Where costs are accrued or prepaid, applicable grant is accrued or deferred as appropriate. Where grants from legacy are redirected by stakeholders, they are disclosed as movements within legacy in the Balance Sheet and are not charged through the Income Statement. Grants received in advance are held on the balance sheet as deferred grant income.

Investment income

Investment income relates to interest on long-term loans, dividend income and capital gains arising on the disposal of equity investments. Investment income is recognised when receivable but is not included if it is not received when due.

Issue costs

Issue costs in respect of debt instruments have been charged to the Income Statement as part of finance costs over the term of the loan.

Pension costs

Pension costs represent contributions to the defined contribution personal pension plans of the employees of the Company and North East Finance (Holdco) Limited. Contributions to the defined contribution pension schemes are taken to the Income Statement when they become payable.

Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date, on which the rent is first expected to be adjusted to the prevailing market rate, is shorter than the full lease term; in that case, the shorter period is used.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2021

1. ACCOUNTING POLICIES (continued)

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Group is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

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

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

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

Legacy funds

The Group has received funding from BEIS, MHCLG and other funders for the purpose of investing in SMEs. Until the funding was applied to investments, the funding was repayable. The funding was transferred into the various legacy funds once investments were made. All interest and dividends received plus capital gains and impairment losses are rolled into the legacy funds. Interest received on invested funds is also rolled into the legacy funds.

These investment-related incomes and expenditures flow through the Income Statement and are subsequently transferred to/from the legacy funds.

The investment funding has been treated as funding liabilities and included in creditors due after one year and within one year. The liabilities are stated at an amount that reflects the on-going capital available for redeployment adjusted for investment income and investment gains net of losses. The legacy funds are liabilities that can only be applied under the direction of the individual fund providers.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2021

1. ACCOUNTING POLICIES (continued)

Financial instruments – Fixed asset investments

Fixed asset investments in the form of unsecured loans and equity investments have been made directly into SMEs.

Equity and convertible loans are valued at fair value in accordance with the International Private Equity and Venture Capital Valuation ("IPEVC") Guidelines issued by the British Venture Capital Association and the alternative valuation rules. Where it is impossible to arrive at a meaningful fair value using the IPEVC Guidelines, cost less impairment has been used. Provisions and the reversal of previously booked provisions are charged/credited to the Income Statement. Unrealised surpluses and losses on investments are also credited/charged to the Income Statement.

Financial instruments – Concessionary loans

Loans to Investment Funds represent loans to limited partnerships and other funds. These loans have been used by the limited partnerships and other entities to make investments in the form of unsecured loans and equity investments in SMEs that are high risk and to provide funding to the general partners of the limited partnerships and other entities to source and remunerate professional fund managers. The loans are stated at the amounts advanced, less repayment of principal and any amounts deemed necessary to reflect a provision for impairment. These loans are classified as concessionary loans under FRS102 s34 to s34. No interest is payable under the loan arrangements, no security is provided and there are no timescales for repayment of the loans.

Tangible fixed assets

Tangible fixed assets are stated at their cost, net of depreciation. This includes all directly attributable and incremental costs incurred in bringing the asset into working condition for its intended use.

Depreciation is calculated to write off the cost of tangible fixed assets, less their estimated residual values, on a straight-line basis over their expected useful economic lives. The principal annual rates used for this purpose are:

Computer equipment	33%
Fixtures and fittings	25%

Cash investments and cash at bank

Cash investments represent cash held on deposit with a maturity date of seven days or more post year-end. All other cash held with banks or financial institutions is disclosed as cash at bank and in hand.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2021

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 1, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. The following are the critical judgements, apart from those involving estimations, that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Non-consolidation of limited partnerships

Under the limited partnership agreements, the general partner in the agreement controls the operation of the particular limited partnership. The Directors therefore consider that the most appropriate treatment is not to consolidate the affairs of the limited partnerships.

Inclusion of Loans to Investment Funds within Current Assets

The Directors consider that Loans to Investment Funds should be recognised as due within one year rather than as due after one year. This is because the loans have no deferred repayment terms and are strictly collectible when monies become available for their settlement. In practice, the loans are invested into SMEs and, in many cases, the expected dates for realisation extend beyond 12 months from the balance sheet date.

The following are key sources of estimation uncertainty:

Valuation of loans and investments

The recoverability of loans to limited partnerships, loans to other funds and investments in SMEs is uncertain and relies on the fund managers and advisors being able to provide a valuation of the underlying investments. This enables the Directors to make appropriate provision for any non-recoverability.

Valuation of repayable grants

The recoverability of repayable grants is uncertain. Repayable grants that have been advanced to funds are provided against to the extent that impairment seems likely. Estimations of recoverability are based on underlying investment performance where it is available or on forecast expectations of legacy generation in its absence.

3. TURNOVER

(All arising in the United Kingdom)	2021		2020	
	Company	Group	Company	Group
	£	£	£	£
Investment income	-	309,018	-	243,162
Grants	557,711	557,711	467,449	467,449
	<u>557,711</u>	<u>866,729</u>	<u>467,449</u>	<u>710,611</u>

NORTH EAST ACCESS TO FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 March 2021

4. DIRECTORS AND EMPLOYEES

	2021		2020	
	Company	Group	Company	Group
	£	£	£	£
Directors' remuneration				
Emoluments (excl. pension contributions)	168,273	180,273	139,506	148,839
Pension contributions	11,027	11,027	9,201	9,201

Four (2020: four) Directors of the Company received remuneration in the year. One (2020: one) Director received pension contributions in the year.

	2021		2020	
	Company	Group	Company	Group
	£	£	£	£
Staff costs during the period (including Directors)				
Wages and salaries	399,273	651,605	317,864	597,446
Social security costs	42,994	71,745	34,464	67,771
Pension contributions	32,021	49,576	25,628	42,781
	474,288	772,926	377,956	707,998
Monthly average number of employees	5	7	5	8

5. OPERATING PROFIT / (LOSS)

	2021		2020	
	Company	Group	Company	Group
	£	£	£	£
Operating profit / (loss) is stated after charging:				
Auditor's remuneration:				
Audit fees payable to the Company's auditor for the audit of the Company's annual accounts	9,500	9,500	9,400	9,400
Audit fees payable to the Company's auditor and their associates for the audit of the Company's subsidiaries	-	45,000	-	17,100
Non audit services payable to the Company's auditor and their associates	-	-	2,300	6,750
Fees payable to other auditors in relation to audit and non-audit services	-	-	4,500	71,650
Depreciation – owned assets	1,760	2,352	1,396	1,888
Operating lease rentals – land and buildings	19,915	28,027	19,909	36,120

NORTH EAST ACCESS TO FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 March 2021

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2021		2020	
	Company	Group	Company	Group
	£	£	£	£
Bank interest	12	15,431	470	74,592

7. INTEREST PAYABLE

	2021		2020	
	Company	Group	Company	Group
	£	£	£	£
Loan interest	-	-	-	12,170

8. OTHER RECHARGES

	2021		2020	
	Company	Group	Company	Group
	£	£	£	£
Transfer (to)/from Legacy Funds	-	(14,708,025)	-	4,245,937
Release of deferred grant income	-	40,459	-	33,845
	-	(14,667,566)	-	4,279,782

The net profit or loss for the year before recharges is transferred to/(from) the legacy funds, as explained in the Accounting Policies in Note 1, so that the final result for the period is £NIL.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2021

9. TAX ON RESULT

Current tax:	2021		2020	
	Company £	Group £	Company £	Group £
Total tax per Income Statement	-	-	-	-

The charge for the year can be reconciled to the result per the Income Statement as follows:

	2021		2020	
	Company £	Group £	Company £	Group £
Result for the period – continuing operations	-	-	-	-
Tax on result at standard UK tax rate of 19% (2020: 19%)	-	-	-	-
Effects of:				
Expenses not deductible	334	865,773	265	169,517
Income not taxable	(334)	(855,186)	(265)	(166,887)
Movement on unrecognised deferred tax	-	(10,587)	-	(6,448)
Fixed assets	-	-	-	-
Impact of capital gains	-	-	-	3,819
Total tax charge for year	-	-	-	-

Timing differences amounting to some £2m in the Group (2020: £2m) and in the Company of £NIL (2020: £NIL), arising from tax losses not utilised and short term timing differences, have not been recognised as a deferred tax asset at 31 March 2021 due to uncertainty regarding the availability of suitable taxable profits arising in future periods from which the underlying timing differences could be deducted.

An increase in the UK corporate tax from 19% to 25% was announced in the 2021 budget; this is scheduled to take effect from April 2023. The rate for small profits under £50,000 will remain at 19%, and there will be taper relief for businesses with profits between £50,000 and £250,000. Since the proposal to increase the rate to 25% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements.

There is no expiry date on the unused tax losses in the Company. Tax losses at 31 March 2021 were £60 (2020: £59).

NORTH EAST ACCESS TO FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 March 2021

10. INVESTMENTS

	2021		2020	
	Company	Group	Company	Group
	£	£	£	£
Shares in subsidiaries	1	-	1	-
Investments in SMEs	-	14,170,226	-	9,017,873
Partnership shares	-	240	-	400
	1	14,170,466	1	9,018,273

The table below sets out the investments held:

Company	Shareholding	Ownership	Activity
North East Finance (Holdco) Limited*	£1 ordinary	100% owned by North East Access to Finance Limited	Holding Fund manager
North East Finance (Subco) Limited	£1 ordinary	100% owned by North East Finance (Holdco) Limited	Fund holder
The North East Regional Fund Partner Limited* (limited by guarantee)		100% owned by North East Access to Finance Limited	Fund holder
NEA2F Subco Limited* (limited by guarantee)		100% owned by North East Access to Finance Limited	Fund Holder
North East Technology (GP) Limited	£100 ordinary	100% owned by North East Finance (Subco) Limited	Fund Holder

* Directly held investment

Details of the capital contributions to funds, constituted as limited partnerships, are as follows:

Company	Fund	Contribution	Partnership share	Activity/ fund name
North East Finance (Holdco) Limited	North East Accelerator Limited Partnership	£80	80%	Fund (Accelerator)
North East Finance (Holdco) Limited	North East Growth Fund Limited Partnership	£80	80%	Fund (Growth)
The North East Regional Investment Fund Partner Limited	The North East Co-Investment Fund Limited Partnership	£80	80%	Fund (North East Co-Investment Fund)

During the year, the portfolios of investments previously held by The North East Angel Fund and The North East Growth 500 Plus Fund limited partnerships were transferred from those partnerships into the Group following completion of their dissolution processes.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2021

10. INVESTMENTS (continued)

Cost or Valuation	Limited Partnerships £	Equity £	Loans £	Group £
At 1 April 2020	400	22,932,416	15,340,385	38,273,201
Additions	-	125,000	-	125,000
Reclassifications	-	100,000	(100,000)	-
Transfer into Group	-	5,940,749	1,327,207	7,267,956
Repayments	-	-	(419,991)	(419,991)
Disposals	-	(3,032,484)	-	(3,032,484)
Revaluations	-	3,289,007	-	3,289,007
Written off	(160)	(4,367,450)	(8,538,055)	(12,905,665)
At 31 March 2021	240	24,987,238	7,609,546	32,597,024
Provisions for impairment				
At 1 April 2020	-	16,281,533	12,973,395	29,254,928
Reclassifications	-	100,000	(100,000)	-
Transfer into Group	-	2,557,568	957,337	3,514,905
Charge in period	160	(184,512)	96,888	(87,464)
Written off	(160)	(4,367,450)	(8,538,055)	(12,905,665)
Disposals	-	(1,350,146)	-	(1,350,146)
At 31 March 2021	-	13,036,993	5,389,565	18,426,558
Net book value at 31 March 2021	240	11,950,245	2,219,981	14,170,466
Net book value at 31 March 2020	400	6,650,883	2,366,990	9,018,273

11. TANGIBLE FIXED ASSETS

Company Cost	Fixtures and fittings £	Computer equipment £	Total £
At 1 April 2020	7,483	3,363	10,846
Additions	125	4,435	4,560
As at 31 March 2021	7,608	7,798	15,406
Depreciation			
At 1 April 2020	6,916	2,367	9,283
Charge in the year	246	1,514	1,760
At 31 March 2021	7,162	3,881	11,043
Net book value			
At 31 March 2021	447	3,917	4,364
At 31 March 2020	567	996	1,563

NORTH EAST ACCESS TO FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 March 2021

11. TANGIBLE FIXED ASSETS (continued)

Group	Fixtures and fittings £	Computer equipment £	Total £
Cost			
At 1 April 2020	10,691	6,358	17,049
Additions	125	4,435	4,560
Disposals	-	-	-
As at 31 March 2021	<u>10,816</u>	<u>10,793</u>	<u>21,609</u>
Depreciation			
At 1 April 2020	10,123	3,755	13,878
Charge in the year	246	2,105	2,351
Disposals	-	-	-
At 31 March 2021	<u>10,369</u>	<u>5,860</u>	<u>16,229</u>
Net book value			
At 31 March 2021	<u>447</u>	<u>4,933</u>	<u>5,380</u>
At 31 March 2020	<u>568</u>	<u>2,603</u>	<u>3,171</u>

12. DEBTORS

	2021		2020	
	Company £	Group £	Company £	Group £
Due within one year				
Loans to investment funds	-	41,490,079	-	33,743,561
Prepayments and accrued income	7,861	21,579	7,534	38,731
	<u>7,861</u>	<u>41,511,658</u>	<u>7,534</u>	<u>33,782,292</u>

Reclassification of certain balances

During the year, the Directors determined that Loans to Investment Funds should be recognised as entirely due within one year rather than as partially due after one year. This has been applied to the current year and prior year. There is no impact on the results for either period or on net assets. Had the reclassification not been made, Loans to Investment Funds due within one year would have been £17,553,151 (2020: £17,195,574) and Loans to Investment Funds due after one year would have been £23,936,928 (2020: £16,547,987).

NORTH EAST ACCESS TO FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 March 2021

12. DEBTORS (continued)

	Group £
Loans to investment funds	
Cost	
At 1 April 2020	89,976,710
Amounts drawn down	480,986
Advanced	3,000,000
Repayments in specie	(3,753,050)
Cash repayments	(3,918,466)
Written off	(12,093,071)
At 31 March 2021	<u>73,693,109</u>
Provisions for impairment	
At 1 April 2020	56,233,150
Decrease in provision	(11,937,049)
Written off	(12,093,071)
At 31 March 2021	<u>32,203,030</u>
Net book value at 31 March 2021	<u>41,490,079</u>
Net book value at 31 March 2020	<u>33,743,561</u>

Loans to investment funds were held by the following subsidiary companies, as follows:

	2021 £	2020 £
North East Finance (Holdco) Limited	17,553,150	17,195,574
The North East Regional Investment Fund Partner Limited	23,936,929	16,547,987
	<u>41,490,079</u>	<u>33,743,561</u>

13. CASH AT BANK AND IN HAND

Cash at bank and in hand included funds of £9m (2020: £3m) that relate to Legacy Funds.

14. CASH INVESTMENTS

	2021 Company £	Group £	2020 Company £	Group £
Cash deposits				
Terms less than three months	-	-	-	3,584,298
Terms between three and twelve months	-	1,254,675	-	3,000,000
	-	<u>1,254,675</u>	-	<u>6,584,298</u>

All cash investments relate to Legacy Funds.

NORTH EAST ACCESS TO FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 March 2021

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021		2020	
	Company £	Group £	Company £	Group £
Trade creditors	3,352	30,469	9,225	82,409
Amounts owed to Group undertakings	1	-	1	-
Accruals and deferred grant income	88,218	217,002	62,589	228,052
Legacy Funds (Note 17)	-	635,000	-	534,750
Other creditors	-	276	-	340
	<u>91,571</u>	<u>882,747</u>	<u>71,815</u>	<u>845,551</u>

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021		2020	
	Company £	Group £	Company £	Group £
Deferred grant income	-	22,627	-	63,089
Legacy Funds (Note 17)	-	65,637,180	-	51,865,163
	<u>-</u>	<u>65,659,807</u>	<u>-</u>	<u>51,928,252</u>

17. LEGACY FUNDS

Legacy fund movements during the year	Group £
At 1 April 2020	52,399,913
Transfer from Income Statement (note 8)	14,708,025
Redirected to BEIS	(256,000)
Transferred to NEA2F for operating costs	(579,758)
At 31 March 2021	<u>66,272,180</u>
Investments in SMEs	14,170,466
Loans to investment funds	41,490,079
Cash investments	1,254,675
Cash	9,521,032
Working capital	(164,072)
	<u>66,272,180</u>
Due within one year	635,000
Due after more than one year	<u>65,637,180</u>
	<u>66,272,180</u>

Included in the Legacy Fund are non-distributable accumulated revaluation surpluses of £4,101,457 (2020: £812,450).

NORTH EAST ACCESS TO FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 March 2021

17. LEGACY FUNDS (continued)

The status of the Legacy Funds, included within creditors falling due within one year and after more than one year, is as follows:

Group	2021 £	2020 £
North East Finance (Holdco) Limited	37,695,015	30,152,423
The North East Regional Investment Fund Partner Limited	27,230,780	20,316,009
NEA2F Subco Limited	1,346,385	1,931,481
	66,272,180	52,399,913

18. RESERVES

Group Profit and loss account

As explained in the Accounting Policies in Note 1, all profits and losses made by the Group are rolled into the Legacy Funds. Consequently, there are no retained profits or losses in the Group.

The Company has no reserves.

19. OPERATING LEASE COMMITMENTS

At 31 March 2021, the Company and Group were committed to making the following minimum rentals payable under non-cancellable operating leases:

Land and Buildings	2021		2020	
	Company £	Group £	Company £	Group £
Within one year	19,915	28,027	19,915	28,028
In two to five years	1,660	6,394	21,575	54,335
	21,575	34,421	41,490	82,363

20. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption available in FRS102 not to disclose transactions with entities that are part of the same Group.

During the year, the Company made no purchases from any company in which any Director had an interest (2020: £NIL.) There were no other related party transactions.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2021

21. ULTIMATE CONTROLLING PARTIES

At 31 March 2021, in the opinion of the Directors, the ultimate controlling parties were the four members of the Company. These were Ms Susan Wilson CBE, Mr Alan Hall, Ms Lucy Winskell OBE DL and Mr William Blair.

The Company is limited by guarantee of its members and does not have a share capital. The liability of every member is limited to £1 (2020: £1). On the winding up of the Company, any surplus assets that exist must be transferred to another body or other institution having objects similar to the objects of the Company.

22. SUBSEQUENT EVENTS

The COVID-19 pandemic has affected the operations of the Company and the Group significantly with all staff working from home during the year and interactions within and outside of the organisation having been effected exclusively on line. There has, however, been no loss of productivity in the management and administration of operations and in the oversight of investment portfolios and the work of fund managers.

The potential financial impact of the pandemic on the future prospects for the portfolio investments and, therefore, on the creation of legacy, is still difficult to assess. Potentially, the effect could be significant over time and particular care has been taken in the determination of fair values for the portfolios at the balance sheet date with adjustments made for impairments that have needed to be recognised at that date.

At the time of approval of these financial statements, it seems that the main financial impact will be to lead to a delay in the timescale by which exits might be achieved rather than to a permanent and significant impairment in the value of the overall legacy that is likely to be created. In this regard, comparison to the management accounts of the Group at 30 June 2021 indicate that the value of the Group's combined legacy funds has increased from £66m to £70m (unaudited) at that date.