

# Dear friends

It is hard to know where to start when writing a letter looking back on the events of 2020. Like all organisations, SASC experienced challenges over the last 12 months and, like everyone else, we had to work harder. But the pandemic has made a fund we launched 18 months ago even more relevant. The result is that in 2020 we were able to support more organisations than in any previous year.

We work with charities and social enterprises that operate on the front line. Doing so has been very rewarding throughout this period. Both as an organisation and as individuals we were grateful to feel we were doing something that was making a difference. Meanwhile, the inspiring work of our borrowers was allowing SASC to raise additional funds. This will increase our investment activity in what has come to be our core activity – helping organisations buy housing to use in their services.

We published our last impact report in July 2019. At that point SASC had just launched Social and Sustainable Housing (SASH) with over £26m of commitments. Co-designing SASH with potential borrowers helped us to come up with an appealing investment product. We believed there was unmet demand from charities and social enterprises for funding that would allow them to buy properties to use as supported housing. This in turn would help them expand the work they were already doing with disadvantaged people.

By December 2019 we had approved loans of more than £16m to six inspiring charities across the UK. The high level of interest in SASH meant we were already working to raise additional funds. We were also in discussions with Zamo Capital. Zamo invests in organisations like SASC to help them grow their investing activity and the social impact it generates.

We are very grateful to Jim Roth and the Zamo team for concluding the investment in SASC despite the early signs of COVID-19 uncertainty. We are also grateful to the members of the SASC Board and Investment Committee whose co-investment showed their support for our longer-

term vision. These investments saw us enter the first lockdown in a strong and stable financial position.

As the seriousness of the pandemic became clear, our overarching priority became the ongoing health and resilience of the organisations in our portfolio. Throughout the COVID-19 period we have maintained close contact with our borrowers and provided whatever support we could.

Almost all our borrowers have been able to maintain both their services and their revenue streams. This underlines how strong the management, staff teams, and governance structures of these outstanding organisations are. We continue to be impressed by the agile and committed way in which they respond to their communities' needs during the pandemic.

SASC's investment strategy is to back charities and social enterprises that deliver vital services. A challenging period like the pandemic was bound to show just how valuable those organisations are. And SASH specifically was the right fund at the right time. In the early stages of the pandemic the government launched an initiative to find emergency accommodation for what they estimated to be at least 15,000<sup>1</sup> rough sleepers and homeless people. This shone a powerful spotlight on the stark reality of those without access to decent and sustainable housing. What began as a response to the crisis has become a wake-up call to government to address homelessness for the longer term.

This increased focus on supported housing created a need for additional funding. Meanwhile, investors had been getting steadily more interested in products that generate both a financial and social return. These two factors combined to see

SASH more than double in size over the course of 2020.

We would like to thank our investors for helping us show how social investment can unlock potential that might otherwise go unrealised. With SASH funding, frontline charities and social enterprises are playing a larger role in providing longer term solutions to the housing and support needs of people who are homeless, or at risk of becoming so.

The current situation has reinforced our determination to pursue opportunities where social impact can attract investment. One such opportunity arose in September, when SASC was able to acquire the investment arm of Pure Leapfrog, now called SASC Bridge Finance. Given renewed policy focus on community renewable projects, we relish the prospect of building on our combined track record of £68m of investment in this area.

SASC has always had two aims. We want to provide funding that helps charitable organisations become more sustainable and grow their impact. We can only do this if we attract investors pursuing both financial and social impact returns. As with many organisations, the uncertainty created by COVID-19 has tested our resolve. But we ended 2020 on a positive note, full of energy to tackle the next challenge. We believe that SASC is increasingly demonstrating our relevance and potential in the wider social investment market. This report sets out to explain in more detail why that is.

**Nat Sloane**  
Board Chair

**Benjamin Rick**  
Co-Founder and CEO

1. [https://www.crisis.org.uk/media/242907/homelessness\\_monitor\\_england\\_2020\\_covid19\\_crisis\\_response\\_briefing.pdf](https://www.crisis.org.uk/media/242907/homelessness_monitor_england_2020_covid19_crisis_response_briefing.pdf)