TRUSTEES' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2019

THE FOUNDATION FOR SOCIAL ENTREPRENEURS
(Trading as UnLtd)

Charity No. 1090393
Company No. 4180639

MILLENNIUM AWARDS TRUST

Charity No. 1095749

UNLTD SCOTLAND

Company No. SC475273

FSE Management Services Ltd (Company limited by guarantee)

Company No. 6841529

UnLtd Impact Support Company Ltd

Company No. 10951754

UnLtd Venture Growth Support Ltd

Company No. 11568325

This report has been prepared in accordance with the guidance issued by the Charities Commission, Companies House and the Reporting Directions of the Millennium Commission.

THE FOUNDATION FOR SOCIAL ENTREPRENEURS (UnLtd)
TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2019

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Acknowledgement

The Millennium Awards Trust was endowed by the Millennium Commission with a National Lottery grant of £100 million as a permanent source of grants for social entrepreneurs throughout the United Kingdom to develop their own skills and talents, and to contribute to the community.

The Millennium Commission was set up in 1993 to distribute National Lottery funds as grants to fund initiatives to mark the year 2000 and the beginning of the third millennium. The Commission's £100 million grant to the Millennium Awards Trust will ensure that Millennium Commission funds will continue to benefit individuals and communities in perpetuity.

Descriptions

UnLtd (The Foundation for Social Entrepreneurs) is a company limited by guarantee with charitable status.

The Millennium Awards Trust is a charity established by Trust Deed. UnLtd is the Corporate Trustee of the Millennium Awards Trust.

UnLtd Scotland is a company limited by guarantee in Scotland, and is a subsidiary of UnLtd. From 2016 onwards it has provided the staff support for Awards in Scotland.

FSE Management Services Ltd is a company limited by guarantee incorporated on 10 March 2009. The sole member of the company is UnLtd. FSE Management Services Limited has been established to deliver contracts for services to funders, particularly government and related agencies, to support social entrepreneurs.

UnLtd Impact Support Company Ltd is a company limited by guarantee incorporated on 7 September 2017. The sole member of the company is Unltd. UnLtd Impact Support Company Ltd has been established to provide repayable finance to social ventures.

UnLtd Venture Growth Support Ltd is a company limited by guarantee incorporated on 13 September 2018. The sole member of the company is Unltd. UnLtd Venture Growth Support Ltd has been established to provide easily accessible, appropriate, essential growth capital to social ventures to social ventures.

This report sets out the activities of the Foundation for Social Entrepreneurs (UnLtd) and its subsidiary charities and companies, the Millennium Awards Trust, UnLtd Scotland, FSE Management Services Ltd, UnLtd Impact Support Company Ltd and UnLtd Growth Support Company Ltd in the year.

1. LEGAL AND ADMINISTRATIVE INFORMATION

Trustees of the Foundation for Social Entrepreneurs (UnLtd)

Name	Appointment date	Resignation date (if applicable)
Amma Mensah	4 June 2018	
Anne Glover	4 June 2018	
Elizabeth Sideris	5 June 2017	
James Lawson	5 June 2017	
Krishna Vishnubhotla	5 June 2017	
Lynne Berry	5 June 2017	17 October 2018
Nicholas Farhi (Chair)	9 June 2014	
Nick Petford	8 June 2015	
Rachel Barton	5 June 2017	
Stephen Bediako	5 June 2017	
Sue Charteris (Vice Chair)	9 June 2014	
Tim Davies-Pugh	5 June 2017	

Committees

Finance and Audit Committee	Investment Committee	Nominations, Remuneration and Governance Committee	Strategy and Development Committee	Awards and Delivery Committee
Krishna Vishnubhotla (Chair)	Anne Glover (Chair)	Sue Charteris (Chair)	Rachel Barton (Chair)	Tim Davies-Pugh (Chair)
Nick Petford	James Lawson (Vice Chair)	Nic Farhi	Nic Farhi	Elizabeth Sideris
Tim Davies-Pugh	Nick Petford	Elizabeth Sideris	Amma Mensah	Stephen Bediako
Nick Brooks *	Nick Measham *			Hayley Collen *
	Hosein K-Hosseiny *			
	David Lindstrom *			

* Non-Trustees

Chief Executive
Mark Norbury

Trustee of the Millennium Awards Trust
The Foundation for Social Entrepreneurs (UnLtd) is the sole Corporate Trustee of the Millennium Awards Trust, appointed by the Millennium Commission at the time of the Trust's establishment on the 27 January 2003.

Protector of the Millennium Awards Trust
The first Protector of the Millennium Awards Trust is Patrick Harrington, QC, also appointed on the 27 January 2003 by the Millennium Commission and reappointed in 2006, 2009, 2012, 2015 and 2018 by the Secretary of State for Culture, Media and Sport. The Protector's current term of office will run until 26 January 2021. The Protector's fiduciary duties are to ensure the integrity of the administration of the Trust and the propriety of its procedures.

Principal Office
123/127 Whitecross Street
Islington
London
EC1Y 8JJ

Independent Auditors
PKF Littlejohn LLP
15 Westferry Circus, Canary Wharf
London
E14 4HD

Internal Auditors
BDO LLP
150 Aldergate Street
London
EC1A 4AB

Bankers
Barclays Bank plc.
Hatton Garden Medium Business
99 Hatton Garden
London
EC1N 8DN

Bankers
Triodos Bank
Brunel House
11 The Promenade
Bristol
BS8 3NN

Solicitors
Bates, Wells and Braithwaite
Scandinavian House
2-6 Cannon Street
London
EC4M 6YH

Investment Managers
Goldman Sachs Asset Management International
River Court
120 Fleet Street
London
EC4A 2BE

Dimensional Fund Advisors Ltd
5th Floor
20 Triton Street
London
NW1 3BF

The Charities Property Fund
Cordea Savills
33 Margaret Street
London
W1G 0JD

AQR Capital Management Europe LLP
Charles House
5 – 11 Regent Street
London
SW1Y 4LR

Barclays Wealth Management
Barclays, level 12
1 Churchill Place
London
E14 5HP

2. INTRODUCTION AND OVERVIEW

Unltd is the foundation for social entrepreneurs. We exist to find, fund and support enterprising people with bold solutions to tackling social problems.

Despite the UK's status as a prosperous nation in global terms, social inequality is a significant issue across the country. At UnLtd, we know that people with innovative and sustainable business ideas can help to takle that inequality and create positive, lasting social change.

Every year, we use our expertise to support people as they strive to make a difference. In 2018-19, we have helped 424 social entrepreneurs to start up, and backed a further 35 to grow their impact.

We support people in their drive to tackle various social problems and are particularly focused on:

- helping people furthest from the labout market to secure meaningful work
- improving the health and wellbeing of people in later life
- improving the communities where they live and work.

Underpinning this is our focus on taking social entrepeneurship mainstream: a bold strategy to break down the barriers social entrepreneurs face when starting or growing their ventures, to help them realise their potential and maximise their impact. As part of this, we piloted an initiative to support four 'Pioneers', a small number of high achieiving social entrepreneurs. We have been collaborating with them to try and tackle some of the root causes of social problems and, crucially, the systems that need to change in order to tackle them. We will be taking this work further in 2019-20.

Our research has shown that one of the main barriers social entrepreneurs face is access to affordable, flexible capital. As a result, in 2018 we launched Thrive, an accelerator programme designed to help ambitious social ventures to grow and scale their impact. It includes a mix of expert support with the opportunity to secure investment of up to £50,000. Supported by partners Scope, UBS and Thirty Percy, we have been able to support to a number of social ventures this year though Thrive, including:

- CrackedIt – a smartphone repair service that employs and trains young ex-offenders and those deemed at risk of offending.

- Exceptional Individuals – an employment partnership for neurodivergent people which matches people with dyslexia, autism and other neurological conditions to employers.

- Fat Macy's – a catering business that provides employment opportunities in hospitality and catering roles for homeless people, supporting them to into rented accommodation.

In November 2017 we launched the Impact Fund, to provide a mixture of funding and expert support specifically for social ventures working to try and provide more jobs and training opportunities for people furthest from the labour market. By the end of 2018-19, we awarded £1 million from the Fund to 11 social entrepreneurs, including a tea company that trains and employs refugees and a chocolate manufacturer that employs people with autism. The Impact Fund is made possible thanks to Access, The National Lottery Community Fund and Big Society Capital.

One of our most widely-reported pieces of work in the media in 2018-19 was the support we provided to the Hubb Community Kitchen. The women behind the kitchen had all been displaced by the Grenfell fire, and came together to cook for their local community at a local mosque. With support and endorsement from HRH The Duchess of Sussex and the Royal Foundation, a cookbook was released in 2018, and UnLtd has been supporting the women behind the kitchen with a range of projects.

Inclusion is a key thread that runs through our work, and we completed a ground-breaking project supported by The National Lottery Community Fund this year, to explore the value and crucial contribution that Leaders with Lived Experience bring. This work has improved our own understanding of the barriers, challenges and opportunities that these leaders bring, and we have developed a charter which sets out our learning and recommendations. This project has led to a real step-change in the way that we work and a commitment to supporting more Leaders with Lived Experience.

We stepped up our policy and campaigning efforts in 2018-19, engaging with ministers and civil servants across central and local government. In our response to the Civil Society Strategy, we have been clear that government must help remove the barriers to scaling up that social entrepreneurs face, and that more power should be placed into the hands of people in their communities to create change. I am also delighted that Mark Norbury, CEO, has been appointed as co-chair of the Inclusive Economy Partnership – an opportunity to really influence and shape policy.

This year we also welcomed Amma Mensah to the Board of Trustees. Amma is the award-winning founder and executive director of Beyond the Classroom. As a successful social entrepreneur and UnLtd award winner in 2011 and 2013, Amma's appointment underlines our commitment to supporting and empowering leaders with lived experience to make transformational social change.

Fundraising is crucial to supporting our strategic aims, and this year we have raised £3.9 million against the £11.1 million we need to deliver our plans for 2019-2022. Our funders and partners play a critical role in our work and none of our achievements over 2018-19 would be possible without their help. I would like to thank them for their ongoing support and collaboration.

Nicholas Farhi
Chair of the Board of Trustees

3. STRUCTURE, GOVERNANCE AND MANAGEMENT

a. Nature of governing document

The Company is also a Charity governed by its Memorandum and Articles of Association dated 15 March 2001 as amended 30 November 2001, 24 October 2002, 29 March 2004, 26 September 2005, 29 January 2008, 23 July 2010, 21 June 2013 and 8 December 2014 and is a registered charity number 1090393 with the Company number 4180639.

b. How Trustees are recruited and appointed

Trustee nominations are reviewed by the Nomination, Remuneration and Governance Committee (NRG). Recommendations for Trustee appointment are then recommended to the full Board for approval. The maximum number of Trustees is 11 including the Chair under normal circumstances. However, in exceptional circumstances, up to 4 additional Trustee appointments can be made.

Trustees retire from office at the Trustees' meeting closest to the third anniversary of the commencement of his or her term of office. Retiring Trustees may be reappointed for a second term of office and, in exceptional circumstances, a third term of office.

c. Policies and procedures for induction and training of Trustees

UnLtd has a standard induction and training programme for all new Trustees; this includes meetings with UnLtd's Executive Team and the Board of Trustees, visits with UnLtd award winners, and a detailed induction pack. Trustees are encouraged to take up the opportunity to attend relevant external training courses and conferences, and also to participate in pitching days and selection panels. A confidential survey is used to identify skills gaps and development priorities.

d. Organisational structure and how decisions are made

The role of the CEO is to provide overall leadership for UnLtd within the policy framework developed by the Board and to be responsible to the Board for the achievement of UnLtd's mission and goals.

Working with the CEO is an Executive Team of five which help meet UnLtd's future needs. The Director of Awards is responsible for leading and developing UnLtd's awards and support for startup social entrepreneurs. Similarly, the Director of Ventures has oversight of all UnLtd Ventures products and programmes, including UnLtd's accelerators and Impact Funds. The Director of Partnerships & Influence leads a directorate that includes Communications, Policy and a growing Development function, all with the aim of growing the organisation's profile, reputation, reach and influence. The Director of Research and Impact drives forward our efforts across impact, innovation, performance and evidence building. The Director of Corporate Services is responsible for leading and managing the overall central corporate resources, including finance and human resources.

Now established, the Executive Team is driving a shift from programmatic work and funding to systemic work, requiring a strong focus on impact, performance and collaboration.

The Director of Awards is responsible for recommending awards to social entrepreneurs for the Millennium Awards Trust programme. The Director of Ventures makes recommendations for the Ventures programme. Final decisions are made by UnLtd's Awards and Delivery Committee. This Committee oversees the systems and quality for all categories of awards, both those made directly and via partners.

Decisions on strategy and new developments are initiated by staff within the strategy agreed by the Board, with advice and support from the Strategy and Development Committee. Formal levels of delegated authority are set for final decision making by senior staff, the designated Trustee (who may seek further advice), the Strategy and Development Committee, and the Board itself.

UnLtd is accountable to its Board of Trustees. Trustees have a responsibility to act collectively to ensure the proper administration of the Charity. They must safeguard the assets of the Charity to

ensure that these assets and resources are only used in furtherance of the objects of the Charity. They have regard to the Charity Commission's requirements including their guidance on public benefit. Trustees must at all times act in the best interests of the Charity and must avoid any conflict between their personal or outside interests and those of the Charity.

UnLtd's internal governance is strong and we are committed to continuous improvement. The Board has committed to follow the principles and standards laid out in the Charity Commission Charity Governance Code (launched in 2017), in a process led by the by the Nominations, Remuneration and Governance Committee. Periodic review of our policies and systems will highlight any areas for particular attention. In 2018, a strategy has been developed to ensure best practise in diversity and inclusion, and the role of Vice Chair has been created.

1. The Trustees of UnLtd exercise their responsibilities in three ways:

    - Effective governance structures
    - Clear policies and guidelines
    - Employing competent professional staff and advisers

2. The main Board of Trustees meets regularly and considers the following:

    - Regular business and standing items including declarations of interest, minutes, matters arising, and the Executive Report which describes strategic activity and seeks approval for proposed developments.
    - Strategic papers requiring discussion and decisions by the Board.
    - Reports from the Nominations, Remuneration and Governance Committee, Investment Committee, Finance and Audit Committee, Awards and Delivery Committee, Strategy and Development Committee, and subsidiary companies.
    - Regular reports on key performance indicators and impact measures.
    - Presentation items, to inform the Trustees of the different aspects of our work.

3. Annually the main Board approves:

    - The 3-Year Plan
    - The Budget for the year
    - The Risk Management Strategy for the year

    Every three to five years the main Board approves a long-term strategy for UnLtd. Every five years, the Board considers a full investment review.

    The maintenance of effective Internal Control is the responsibility of the Chief Executive for which he is accountable to the Board through the Finance and Audit Committee.

    UnLtd has appointed two separate professional firms as External and Internal Auditors. Both advise the Finance and Audit Committee and report directly to Trustees.

    The policy framework through which UnLtd achieves effective Internal Control is contained in:

    - Financial Procedures
    - Executive Limitations
    - Risk Management Policy
    - Fraud Policy
    - Equal Opportunities Policy
    - Data Protection Policy
    - Whistle Blowing Policy
    - Safeguarding Policy
    - Conflicts of Interest Policy
    - Complaints Policy

    UnLtd strives to have the highest standards and has agreed a programme of Internal Audit

with its Finance and Audit Committee and Internal Auditors. Through a programme of visits to offices, the Internal Auditors report to the Finance and Audit Committee.

Reports are received throughout the year and action is agreed with management and the Finance and Audit Committee.

e. Connections to a wider network

UnLtd strongly believes that we achieve most when we collaborate with others. We believe there are many people and organisations who have a role to play in helping social entrepreneurs to flourish.

UnLtd incubated the Global Social Entrepreneurship Network (GSEN) in partnership with the UK Cabinet Office in 2012 as a network for best practice sharing across a range of international intermediaries supporting social entrepreneurs, GSEN has a current membership of 60 member organisations across 70 countries. It is governed by an advisory board made up of a number of these members and independent experts.

Over the last year, GSEN has been evolving in a number of ways:

- shifting its governance to be more led by its members, and to be more geographically decentralised away from the UK
- raising its ambitions to play a more active role regionally (initially in Europe and Africa) and to build the case and pathways for better early stage social investment
- a shift in management to a more distributed operating model.

UnLtd also works with a network of delivery partners who provide support to social entrepreneurs in the UK. The relationships are covered by Memoranda of Understanding, and where there are financial transactions, through service level agreements or contracts.

4. OBJECTS AND ACTIVITIES

a. Objects of the Charity

The Foundation for Social Entrepreneurs is the parent company of the following entities:

- The Millennium Awards Trust (charity number 1095749)
- UnLtd Scotland (company number SC475273)
- FSE Management Services Ltd (company number 6841529)
- UnLtd Impact Support Company Ltd (company number 10951754)
- UnLtd Venture Growth Support Ltd (company number 11568325)

The objects of the Foundation for Social Entrepreneurs are:

- The relief of poverty
- The promotion of education and training and
- The advancement of other charitable purposes beneficial to the community

The Foundation for Social Entrepreneurs operates under the trading name UnLtd.

Millennium Awards Trust

Constitution and Objects of the Millennium Awards Trust

The Millennium Awards Trust is governed by its Trust Deed, made on the 29 January 2003 between the Millennium Commission and the Foundation for Social Entrepreneurs (UnLtd).

The Objects of the Trust are to relieve poverty, advance education and training, and to promote other charitable purposes beneficial to the community.

The Objects are to be carried out only by awarding grants of money to, and providing services, facilities and other forms of assistance for individuals resident in any country or territory within the United Kingdom of Great Britain and Northern Ireland and the Isle of Man.

Role of the Foundation for Social Entrepreneurs (UnLtd) in the operation of the Millennium Awards Trust

The Millennium Awards Trust Charity operates through its Trustee, the Foundation for Social Entrepreneurs. The Trustee holds the Endowment on Trust, and shall apply the income arising from the Endowment in furtherance of the Objects. The Trustee may reimburse itself from the income of the Trust in respect of amounts required for the administration of the Trust.

Relationship between the Foundation for Social Entrepreneurs (UnLtd) and the Millennium Awards Trust

The Foundation for Social Entrepreneurs (UnLtd) is the sole Corporate Trustee of the Millennium Awards Trust.

The Protector of the Millennium Awards Trust is entitled at any time (after having obtained advice) to appoint an additional Trustee or Trustees to act jointly with the Trustee (the Foundation for Social Entrepreneurs (UnLtd)) or to remove any Trustee (including the Trustee) and appoint new Trustees if he considers such actions to be in the interests of the Trust.

The Protector's fiduciary duty is to ensure the integrity of the administration of the Trust and the propriety of its procedures, and if necessary report matters of serious concern to the Big Lottery Fund, the Charity Commission and, where the Protector considers it appropriate, the Secretary of State.

The first Protector of the Millennium Awards Trust is Patrick Harrington, QC, appointed on the 27 January 2003 and reappointed on 27 January 2006, 27 January 2009, 27 January 2012, 27 January

2015, 27 January 2018 with a sixth three year term of office to run until 26 January 2021. Appointment or reappointment of the Protector of the Millennium Awards Trust is decided by the Secretary of State for Digital, Media, Culture and Sport.

The Protector is entitled to receive from the Trust:

- Reasonable out-of-pocket expenses incurred in carrying out his or her role as Protector
- Reasonable remuneration at a level to be fixed by the Secretary of State from time to time

During the year the Protector received the agenda and papers for all meetings of UnLtd, the Millennium Awards Trust and Scotland UnLtd. Executive staff held regular meetings with the Protector to advise him on activities, financial performance and future plans. The Chair of UnLtd also met and corresponded with the Protector during the year. He was also informed of complaints and their resolution. Where required, the Protector's permission to make changes to the Memorandum and Articles of Association of UnLtd and the policies of the Awards scheme was sought and received.

During the period the Protector claimed no out-of-pocket expenses. The remuneration for the Protector has been set at £5,000 per annum.

UnLtd Scotland

UnLtd Scotland is a Company Limited by Guarantee with UnLtd as the sole Member. Unltd Scotland employs its own staff to support the Awards activity in Scotland. UnLtd ensures close collaboration with other organisations working with social entrepreneurs in Scotland such as Firstport to avoid replication and to maximise the impact for Scottish beneficiaries. Millennium Awards in Scotland are recommended for decision by UnLtd's Awards and Delivery Committee.

FSE Management Services Ltd

The object of the company is to carry on business as a general commercial company to procure profits and gains for the purposes of paying them to The Foundation for Social Entrepreneurs (UnLtd) - (Registered charity Number: 1090393) or any other charitable body which succeeds to its charitable purposes.

UnLtd Impact Support Company

The object of the company is to operate on a charitable, philanthropic, benevolent and not-for-profit basis in fulfilling its purpose of distributing the funds received from the Access Foundation Growth Fund. As such it shall distribute and apply all funds that it receives pursuant to the terms of the External Delegation Agreement and the Loan Agreement agreed with Access Foundation for the benefit of The Growth Fund.

UnLtd Venture Growth Support

The object of the company is to operate on a charitable, philanthropic, benevolent and not-for-profit basis in fulfilling its purpose of distributing Social Impact Funds, designed to create social good. The main activity of the company is the operation of UnLtd Thrive Fund.

b. Charity's aims

Our mission is to find social entrepreneurs with bold solutions to today's challenges. Through funding and support, we help them to realise their potential and create lasting change.

To achieve this mission, UnLtd provides direct funding and support to social entrepreneurs, primarily

in the form of Awards funded by the income generated by the £100 million Millennium Awards Trust endowment. This was created as a permanent source of grants for individuals throughout the United Kingdom to develop their skills and talents, and to contribute to the community. UnLtd Award Winners receive a complete, tailored package of money, training, advice and networking, along with pro bono support from leading professionals and companies.

UnLtd seeks to raise further funds to maximise the impact, sustainability and scale of social entrepreneurs who are not eligible for support from the Millennium Awards Trust. On top of providing direct support, we use this funding to address the barriers these social entrepreneurs face as they grow. We also look to improve the eco-system of support for social entrepreneurs.

In pursuing our mission, UnLtd's Board has had regard to the Charity Commission's general guidance on public benefit. UnLtd creates public benefit by developing social leaders, and supporting them to achieve large scale social and economic impact. UnLtd also offers volunteering opportunities which help people gain work related skills.

UnLtd has a deep commitment to diversity in our society and in our work, valuing diverse contributions, cultures and traditions. Our Awards are open to application by prospective social entrepreneurs from all backgrounds and we work hard to ensure a good coverage across society and from all parts of the UK. We believe that there is still more we can do, and have embarked on a scoping programme with The Social Innovation Partnership to see how we can better support leaders with lived expertise.

We are committed to understanding the impact of the Awards we make. Our findings demonstrate the benefits to the public of our work and improve the quality of our support.

c. Volunteer help

UnLtd works with volunteers by brokering pro-bono support for social entrepreneurs and providing mentoring services to help social entrepreneurs develop their business skills and increase their impact. In 2018-19 we engaged with 492 volunteers from companies including UBS, Cooley LLP, Johnson & Johnson and Orrick – an increase from 440 in 2017-18. UnLtd connected 59 social entrepreneurs with a mentor and 90 social entrepreneurs were supported with pro-bono advice (including legal support, marketing and routes to market information). We also delivered 8 events with partner organisations attended by 63 social entrepreneurs. This pro-bono support had an estimated financial value of £639,090.

d. Main policies and procedures

In developing its policies and procedures, UnLtd's Board has had regard to the Charity Commission's general guidance on public benefit. Our approach is designed to further our mission and objects to deliver identifiable benefits to the public.

Award Making Policy

UnLtd Millennium Awards are for people:

- Over the age of 16
- Resident in the approved territories (essentially the UK)
- Who are applying as an individual or informal group
- Who want to run projects:
  - That benefit the public or a community in the UK
  - That need an UnLtd Award to ensure success
  - That offer a learning opportunity for the applicant(s)
  - That are a new initiative

The Awards Scheme has 3 principal levels of Awards:

Try It Awards: aimed at people who have an idea but need some experience to build their confidence and skills. Try It Awards of up to £500 allow them to test their ideas.

Do It Awards: for individuals who have an idea which will change society for the better, and want help getting it off the ground. The funding of up to £5,000 is to help get the project up and running, and is backed by development support.

Grow It Award: for social entrepreneurs who have already achieved real impact, to help them scale up. The Grow It Award gives social entrepreneurs a year of support with access to workshops, mentoring, coaching, business networks, investors as well as peers, and funding of up to £15,000.

Most of our other programmes, funded with external resources, follow a similar pattern of levels. Details of the latest position on all schemes are available on our website www.unltd.org.uk.

Our Ventures back social ventures to grow and sustain their impact at scale through two new products:

The UnLtd Impact Fund – a £2.8m fund to support up to 35 ventures from 2017 to 2020. This combines investment into social ventures of up to £150,000 alongside the provision of post-investment support.

Thrive – our social accelerator combining six months of intensive support for ventures across our two impact streams (Access to Employment and Solutions for an Ageing Society) alongside the opportunity to secure investment of up to £50,000. We will invest into approximately half of the ventures coming through this programme.

Remuneration Policy

UnLtd's remuneration policy is based on the following principles.

Principle 1: The remuneration package offered by UnLtd should be fair, open, objective, responsible and effective, in keeping with UnLtd's values and status as a charity, and in keeping with the fact that UnLtd's income derives largely from public and charitable sources.

Principle 2: The remuneration package offered by UnLtd should enable it to recruit and retain the high calibre staff required to achieve its aims and objectives.

Principle 3: The reward package offered by UnLtd should take account of salaries in the markets from which it recruits its staff.

Principle 4: UnLtd regards the opportunity to contribute to major social change in our society as a reward in itself.

Principle 5: The remuneration package should provide equal reward for equal contribution to the achievement of UnLtd's aims and objectives.

Principle 6: UnLtd will expect to invest in the development of its people where this contributes to the achievement of UnLtd's objectives and the reward package should provide opportunities for learning and development.

Remuneration of the Chief Executive

The pay level of the CEO was £123,600 for the financial year 2018/19.

Our Nominations, Remuneration and Governance Committee oversees the appraisal and performance review of the CEO. The current remuneration for the CEO was assessed as appropriate to the ambition of the Charity and the performance of the CEO.

The NRG Committee takes into consideration the recommendations of the NCVO Report, "Setting and Communicating Remuneration Policies". The Committee and the CEO agreed for the remuneration level to be made public, as recommended in the NCVO report.

Remuneration of other staff

Decisions on remuneration of the other staff have been set in line with the Remuneration Policy.

Redundancy payments totaling £30,860 (2018: £59,509) were paid to 2 individuals (2018: 3 individuals) during the reporting period.

The total employer pension contribution amounted to £161,968 (2018: £76,907).

Complaints Procedure

We take all complaints very seriously and have designed a comprehensive Complaints Policy to reflect this. The purpose of UnLtd's Complaints Policy is to set out how we will investigate complaints made by individuals. Our aim is to resolve the issues and to enable our organisation to learn from any mistakes. You can view our complaints policy at:
https://unltd.org.uk/uploads/general_uploads/Complaints-Policy.pdf.

During the year two formal complaints were received, one of which was escalated to the CEO. Complaints related to treatment of personal information at application stage, and whether an award could benefit people overseas. Both complaints were resolved.

Business Continuity Strategy

It is the policy of UnLtd to protect the assets and records of the organisation and to ensure the well-being and safety of its employees in the working environment. As part of this policy, UnLtd provides and maintains a Business Continuity Plan to cover the restoration of the service and functions carried out at London Headquarters following a disaster of sufficient magnitude to affect the day to day operation of the organisation, either as a whole or in part.

Risk Management Strategy

UnLtd has a structured approach to risk management, supported by a Risk Management Strategy which:

- focuses on high risk areas of the operations, not just financial risks
- helps managers to find improved ways of working and of achieving the Charity's objectives
- focuses on current operations, identifying future actions and management responses to identified risks
- cuts across departmental boundaries, looking at charity-wide issues
- develops knowledge of controls among managers to manage identified risks and eliminate pointless procedures

The Chief Executive is responsible for conducting a comprehensive risk analysis from which the Risk Management Strategy is produced. The Finance and Audit Committee first considers this and makes recommendations thereon to the Board.

UnLtd maintains a risk register, which it reviews annually. The risk register is used by management to manage key risks and is also used to inform the internal audit planning process.

Investment Strategy

UnLtd has a mission to find, fund and support social entrepreneurs. We do this through:

- early stage awards (grants and support to individuals), funded through the Millennium Awards Trust (of which UnLtd is the corporate trustee)
- accelerators and other venture support programmes, funded by external partners
- making loans to / taking equity stakes in social ventures and providing post-investment support, again funded by external partners

The Millennium Awards Trust (MAT) is an endowment (valued at £100 million when it was established). The Board of UnLtd, in its capacity as Trustee of MAT, is responsible for the investment of the endowment. The Trust Deed for MAT stipulates that we must seek to maintain initial real value in managing the endowment. Initial real value (IRV) is calculated by applying CPI to the initial £100 million since the inception of the fund.

The Trustee may exercise the power of investment provided it has first taken proper investment advice. We delegate to the UnLtd Investment Committee (IC) the tasks of advising us on the full range of investment issues including policy, strategy, the appointment and monitoring of professional advisers, and the monitoring of performance. The expertise, engagement and generosity of our IC members enables us to manage our endowment well at low cost.

The UnLtd Board establishes and agrees the principles and policies for our investment management, which the IC then puts into practice. We are conscious of our responsibilities as an asset owner. The requirements of the Trust Deed have an overriding influence on investment decisions.

Consistent with our beliefs, we have been a signatory to the UN-sponsored Principles for Responsible Investment (see below) since February 2013, outlined below:

1. To incorporate Environmental, Social and Corporate Governance (ESG) issues into our investment analysis and decision-making processes;
2. To be an active owner and to incorporate ESG issues into our ownership policies and practices;
3. To seek appropriate disclosure on ESG issues by the entities in which we invest;
4. To promote acceptance and implementation of the Principles within the investment industry;
5. To work with the PRI Secretariat and other signatories to enhance their effectiveness in implementing the Principles;
6. To report on our activities and progress towards implementing the Principles.

UnLtd has a duty to act in the best long-term interests of our beneficiaries. We believe that environmental, social and governance (ESG) issues can and do affect the performance of investment portfolios (to varying degrees across companies, sectors, regions, asset classes and through time). We also believe that investment portfolios can and do affect our beneficiaries.

We will therefore seek to advance ESG goals, seek positive impact, and avoid negative impact, through our investment management, subject to the obligations of the Trust Deed and in accordance with trust law.

As part of this, we will continue to educate and challenge ourselves, our advisors and our investment managers to be aware of opportunities and risks related to maintaining real value, UnLtd's income needs and ESG factors.

Asset Allocation

We invest so as to meet the various different objectives of the Trust Deed. In practice this involves investing across a number of different broad asset classes (eg, equities vs bonds vs cash), balancing expected return, risk, volatility, income, impact and operational considerations.

We review strategic asset allocation formally every five years, as part of an overall Investment Review. Our asset allocation aims to provide an optimum balance between stable income – necessary to meet UnLtd's operational needs - and maintaining real value.

Selection and Management of Investment Managers

The IC actively seeks out, selects and manages a focused group of external investment managers whom we believe will best achieve our overall goal (to maintain real value) while also being true to UnLtd's mission and our values.

When selecting investment managers, we will prioritise those whom we are confident, based on evidence and appropriate due diligence, will meet the obligations of the trust deed (including seeking to maintain initial real value), that will meet the operational needs of UnLtd and that will generate net positive ESG outcomes and impact.

We expect our investment managers to act as responsible investors. In appointing them, we consider whether they might behave in ways that conflict with our charity's aims, alienate our benefactors, or make our beneficiaries unwilling to accept our support. In managing our assets, they are asked to take account of ESG factors, and to disclose how their engagement with the companies they invest in is helping to meet our goals, including our ESG goals.

Where our investment managers knowingly act against our goals, mission, principles and values, we will consider what action to take.

The IC will report back to the UnLtd Board annually on how investment managers have advanced our goals, including our ESG goals. The IC will also report on its selection of investment managers, and how ESG factors were considered in the process.

External Advisors

We use external advisers to assist us in carrying out Investment Reviews. We may also use advisers on an ad hoc basis when the need arises e.g. to assist in the selection of managers in particular asset classes.

The performances of the whole portfolio, and of individual components within it, are monitored against their respective benchmarks on a quarterly basis. Managers are asked to attend Investment Committee meetings periodically. Managers with any significant performance or organisational changes or challenges are subject to intensive review.

Direct Social Investment

UnLtd recognises that affordable, flexible, patient social investment is a vital part of what high growth, high impact social ventures need. The gap in equity investment is particularly acute.

This is why UnLtd established the Big Venture Challenge and, since 2017, the Impact Fund and Thrive Funds. All these programmes have been funded by external partners.

When backing individual social entrepreneurs as an equity or debt investor, UnLtd's programmes seek to break even financially, while generating significant positive social impact. As such, capital invested via these programmes does not offer market rates of return. For example, our external partners on the Thrive Fund have mostly structured this funding with us as repayable grants.

Direct programme- or mission-related investments through MAT are not permitted by the Trust Deed. Achieving the best returns across the full range of MAT investments allows UnLtd to best support social entrepreneurs.

UnLtd is however able to deploy its unrestricted reserves to make direct programme- and mission-related investments. Our reserves policy at present is to hold 3 months of non-MAT related operating overheads in unrestricted reserves. Where we have unrestricted UnLtd reserves in excess of this amount, we may prioritise opportunities to use these to make direct programme- and mission-related investments.

Financial instruments and associated risks

UnLtd, through investment in various funds as determined by its investment strategy, maintains positions in a variety of derivative and non-derivative financial instruments from time to time. UnLtd's investing activities expose it to various types of market risks that are associated with the financial instruments and markets it invests in.

Market risk includes currency risk, interest rate risk and price risk. The market risk management strategies of the funds UnLtd invests in are driven by the funds' investment objectives. The investment managers employed by UnLtd are instructed to manage risks in accordance with agreed policies and procedures.

Other than for its management of the Endowment, UnLtd does not use financial instruments.

Reserves policy

UnLtd Group

1. UnLtd is the sole Trustee of the Millennium Awards Trust, and in addition is developing activities to support social entrepreneurship, which cannot be funded by income from the Millennium Awards Trust either because they fall outside of the Trust's criteria or simply because of limits on available funds.

2. The founding donor of the Millennium Awards Trust, the Millennium Commission, established the Endowment to generate income to further the Objects of the Trust into perpetuity. The Trustee is required to apply at least 75% of the income arising from the Endowment in furtherance of the Objects.

3. The Trustee needs to balance this need to generate income with the need to seek to obtain the maximum return, consistent with a policy of seeking to maintain the Real Value of the original £100m Endowment.

Trustees of UnLtd have set the following reserves policy for the Trust and for UnLtd in the light of the factors noted above and the investment strategy.

The Millennium Awards Trust

Income from Millennium Awards Trust endowment, from dividends and interest, is used to further the Objects of the Trust. The returns from financial markets, and therefore income available to run the Millennium Awards scheme, tend to fluctuate from year to year and on occasions these fluctuations can be significant. An income reserve has been established in order to provide a buffer between market fluctuations and spending level for the Trust.

UnLtd

Where UnLtd's activities are performed to further the Objects of the Millennium Awards Trust, UnLtd will not build a separate reserve - rather, it will rely on the reserves of the Millennium Awards Trust.

UnLtd aims to generate sufficient free reserves to support the development and delivery of its non-MAT activities. This level of free reserves should be sufficient to support these activities with a robust financial platform. To this end, UnLtd has established a fund of £0.5m within its unrestricted reserves to underwrite:

1) the development of new programme of activities (such as social investing), and

2) the migration from an annual opportunity-led to a three year strategy-led budgeting process

In addition to the £0.5m designated unrestricted reserves, UnLtd aims to build additional unrestricted reserves equal to three months of our non-Millennium Awards Trust expenditure.

The majority of our funds for non-MAT activities comes in the form of a number of long-term contracts. The principal risk is therefore circumstances which cause an unexpected cancellation of a portion of our contracts, leading to unfunded close-down costs of typically 3 months' expenditure (equivalent to £0.9m). Most of the contracts are multi annual, so the risk is mitigated by on-going work. At the end of March 2019, UnLtd's undesignated reserves totalled £1.5m which equated to 39 weeks of external funded activities.

The Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

5a. STRATEGIC REPORT

In the last 12 months we have continued our journey towards making UnLtd an impact-focused organisation that can take social entrepreneurship mainstream. An overview of award-making activity follows:

a. Realising Entrepreneurial Potential

1.1 Awards

Over the course of 2018-19 we made 424 awards, not inclusive of our scaling programmes outlined in section 1.2 which include Thrive, Transform Ageing, and our Impact Fund.

The 2018-19 figure represents a 26% increase over the 2017-18 financial year in which 335 awards were made. Of the 424 awards made in 2018-19, 389 went to 'early stage' entrepreneurs (Try It awards of £500, and Do It awards of up to £5,000). A further 35 awards were made to entrepreneurs ready to grow their ventures (Grow It awards of up to £15,000).

Despite the overall increase, there has been a 54% decrease it Grow It awards, driving down our average award size from approximately £6,400 in 2017-18 to £4,200 per award in 2018-19.

In the future, it is unlikely that award making will match the benchmarks set from 2014 to 2017, where we averaged 550 direct awards per year. This is the result of a strategic decision to reduce Award Manager caseloads and focus on providing the best possible support to entrepreneurs.

Because this change is driven by our focus on offering the best quality support, we will be keenly monitoring the impact of our support on entrepreneurs, using their feedback.

We are pleased that in the last year our Net Promoter Score for 1-2-1 support reached its highest level (65+) since we began using this measure in 2016-17. This shows the level of excellence in the support Award Managers provide. We also know that 83% of social entrepreneurs felt more confident to act for social change as a result of the support they received from UnLtd, and 83% also reported feeling valued and understood for the change they are creating, an increase from 78% in the previous year.

1.2 Ventures

Our dedicated Ventures team has grown in size in 2018-19, in order to match our commitment to supporting social-purpose ventures to grow and scale their impact.

Thrive: Our social accelerator programme operates across our Access to Employment and Solutions for an Ageing Society impact streams, and is possible thanks to support from a range of partners. It combines six months of dedicated support from our Ventures team, alongside the opportunity to secure up to £50,000 of investment. We supported 26 ventures in 2018-19, 18 of which are ventures aiming to improve access to employment to people furthest from labour market, and 8 deliver products and services that aim to improve the health and wellbeing of people in later life.

Impact Fund: Set up in November 2017, we committed our first £1 million by the end of 2018-19, supporting 10 ventures working to try and provide more jobs and training opportunities for people furthest from the labour market. The Fund offers a blend of loan and grant investment of between £50,000 and £150,000 alongside expert business support. Funding has come from the Growth Fund, an initiative managed by Access, with funding from The National Lottery Community Fund and Big Society Capital.

1.3 Impact areas

In 2016 we identified three areas where social entrepreneurs can create lasting change with our support. We have also set up Impact Teams, made up of staff from across various teams within the organisation, that are collaborately on a range of work to demonstrate the impact of our work across these key areas.

Creating access to employment:

- Through our accelerator, Thrive, we supported 18 social ventures in 2018-19, and plan to support 42 more over the next two years.
- Through the Impact Fund, we have backed 10 ambitious ventures, and aim to back approximately 25 more in the next two years.
- Through a partnership with the disability equality charity, Scope, we supported 18 early-stage ventures improving access to employment for disabled people. The programme will operate again in 2019-20.
- We are engaging with government, employers, partners and social entrepreneurs to actively address system shifts focused on the UK's disability employment gap.

Solutions for an ageing society:

- As part of our Thrive accelerator we supported 8 ventures in 2018-19 to help them grow and scale their enterprising solutions to improve the health and wellbeing of people in later life.
- Our Transform Ageing programme, in partnership with the Design Council and the South West Academic Health Science Network, continued in 2018-19 and is set to complete next year. We have worked in partnership with health and social care commissioners to find and support social entrepreneurs and people in later life, to identify the most significant issues facing them. We are now supporting them to respond to those challenges.
- Another aspect of this work is funded by the Esmee Fairbairn Foundation, and aims to stimulate community-based entrepreneurship by working with local partners to help them discover and support social entrepreneurs.
- We are engaging a range of partners to collectively identify how we can drive real change within the system.

Building resilient communities:

- Our resilient communities work supports place-based social entrepreneurs across the UK.
- We want to find, fund and support individuals with enterprising ideas to create local social change and boost the local economy.
- In 2018-19 we have worked to create wider networks connecting social entrepreneurs to locally-trusted organisations, and found champions with power and resources to drive social change. We want to see more local people and organisations buying from and investing in social entrepreneurs.
- We are working in 30 areas in total. With funding from Local Trust we are working with 19 Big Local Areas and an additional 11 areas UK-wide supported through our MAT.

b. Reach & Influence

Our Partnerships & Influence directorate includes staff focusing on communications, policy and development, and has the overall aim of increasing our capability to campaign on behalf of social entrepreneurs.

We continue to build and maintain relationships with key policy stakeholders, including the Department for Work and Pensions, and Office for Civil Society. After joining the Inclusive Economy Partnership last year, our CEO Mark Norbury was appointed co-chair in Autumn 2018, where alongside other members, he plays an active role in bringing together business, civil society

and government to create a more fair and equal society.

We continue to use policy, digital and communications to raise the profile and enhance reputation of UnLtd.

c. Organisational Health

Systems

We are committed to creating processes and systems which drive usability and inclusivity. We launched a new Customer Relationship Management system in 2018-19 to better improve the security of data and privacy. Our core team worked to ensure that we complied fully with new GDPR legislation across the organization, and that all staff are aware of their responsibilities.

Staffing

Over the past year, UnLtd has employed an average of 70 (full time equivalent) staff, compared to 61 (full time equivalent) in the previous year and 70 (full time equivalent) in the year before that. All staff receive an ongoing programme of training and development.

Staff working on Millennium Awards Trust activities are employed by UnLtd as trustee of the Trust and therefore there is no taxable supply of staff.

5b ORGANISATIONAL REPORTING

Our research and evaluation activities produce insights, evidence and learning that enable us to powerfully demonstrate our impact, build on successes, and learn from failures.

We capture our progress against our objectives and mission in our annual Impact Report. Our most recent impact report can be found here: https://www.unltd.org.uk/about-us/our-impact. As of this year, our Annual Report and Impact Report are being produced concurrently, with the 2019 Impact report expected for publication in Autumn 2019.

Our organisational reporting is based on a clear, single source of data, which is accessible and useful to the whole organisation. Our current reporting has evolved from an awards-based Activity Report, to an organisation-wide KPI Dashboard, which is provided below.

a. Key Performance Indicator (KPI) framework

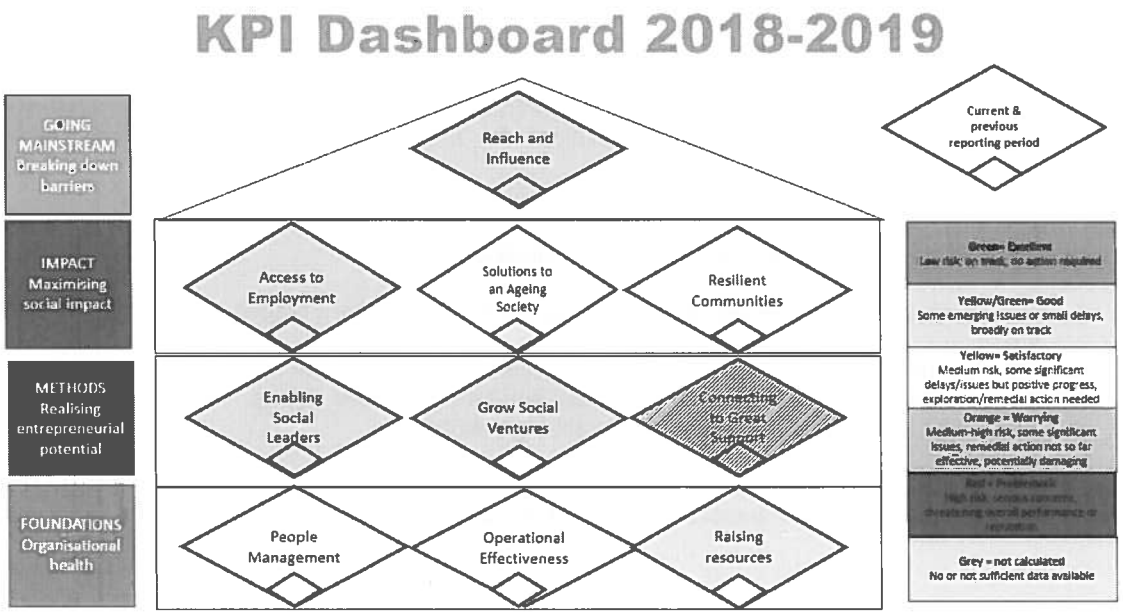
We developed the new Key Performance Indicator framework in 2017, based on our 'Going Mainstream' strategy. The dashboard originally contained 10 general areas with 42 quantitative items and 10 qualitative items.

We reviewed the KPI framework in 2018 after the production of the first full dashboard. We consulted across the whole organisation to revise our existing set of measures, resulting in the adjustment of a majority of measures. This review led to an overall shift in focus towards measuring progress against impact. The following changes were also made:

- We removed 'Connecting to Great Support' from the dashboard pending further review.
- We changed the balance of indicators: we now have 51 quantitative and 12 qualitative metrics across the remaining 9 domains to help us drive continuous quality, improvement and learning.
- We moved away from longitudinal measurement where our sample size was too small to make this robust
- We reevaluated our targets

Following this review, we recently produced our 2nd full KPI Dashboard. This is reported in summary form below.

Table: UnLtd KPI Dashboard: Summary Dashboard



Our Performance

Following our robust review and sign-off processes, we agreed the following performance outcomes for our 9 KPI areas. Our most significant challenge was identified in Raising Resources, and an additional paper was produced for the full Board of trustees in June outlining the issues faced as well as proposed plan for future Business Development. In addition to Raising Resources, four areas were identified as 'Good', and the remaining four identified as 'Satisfactory'.

Good	Satisfactory	Worrying
Access to Employment	Operational Effectiveness	Raising Resources
Enabling Social Leaders	People Management	
Growing Social Ventures	Resilient Communities	
Reach and Influence	Solutions to an ageing society	

Our Learning: KPI Selection

It is important that the KPI Dashboard reflects the diverse work across UnLtd, encompassing outcomes, progress, and impact where relevant. In our 2018 annual report we highlighted the difficulties stemming from producing KPIs for emergent work.

In particular we addressed the challenges encountered in trying to measure impact in our thematic streams whilst this work was still early stage, and accordingly moved towards an activity-based KPI model. In 2018/19 we have focused on monitoring progress and readiness to deliver the work we have committed to, reflected through the awards and ventures we are making and supporting, and the way that those we support are working with their beneficiaries

In the last year we have also made significant progress in understanding what it takes to be an impact-driven organization, and we have established 2 cross-organizational working groups for our thematic work. With our thematic work further along and with these working groups in place, the KPI review will be an opportunity to think again about how to measure UnLtd's impact.

Next Steps: KPI Review

We committed to reviewing our KPI set each year because we know that our work is continuously evolving, and so does the best way to measure it. In summer 2018 we undertook a comprehensive review of these indicators, and as already noted, believe we made significant progress in identifying the best success indicators for our work.

We will continue the progress already made by reviewing our KPIs again in summer 2019. This process will be narrower in scope, and will focus particularly on our Impact stream KPIs (Access to Employment, Resilient Communities, and Solutions for an ageing society) as well as Raising Resources & Growing Social Ventures.

Our review this year will involve key stakeholders across the organization as well as board committees, and will be framed by several key considerations:

1. How to choose measures which are appropriate for the different stages social entrepreneurs are at
2. How to ensure our diverse programmatic work is represented in the dashboard
3. How to align, where possible, with individual and team objective setting.
4. How to set targets which are both achievable and ambitious

The KPI dashboard is currently produced twice a year. After review, the next step will be the production of the dashboard at the close of quarter 2, FY 2019 – 2020.

b. Financial review

Fundraising performance

We enjoyed significant support from our institutional, foundation and corporate partners who provided funding for £2.4 million worth of charitable acitivities in addition to the £4.1 million from the Millenium Awards Trust.

The overall external restricted income has decreased by 55% in the year to £1.7M.

2018/19 has seen UnLtd move from a model where we delivered programmes for funders, to now working in partnership with organisations where we have a real sense of shared purpose and vision.

We have raised £3.9 million against the £11.1m we need to deliver our plans for 2019-2022 and need to raise just over £7.8m by the end of 2020/21.

Investment performance

At 31 March 2019 the Real Value of the Endowment was £144.7 million (2018: £141.5 million) against a total market value of the investments of £148.8 million (2018: £147.8 million) of which £10.1 million (2018: £11.4 million) is being held in income reserves. Within the income reserves, after netting off all creditors, the free reserves stood at £6.3 million (2018: £6.2 million).

Principal funding sources, and how expenditure has supported key objectives

The Millennium Awards Trust had one main source of funding. The Endowment was established by a grant of £100,000,000 from the Millennium Commission. The Foundation for Social Entrepreneurs (UnLtd), as sole corporate Trustee, holds the Endowment on Trust.

An Investment Review was carried out in 2019. The recommendations, to reduce the amount of long term draw down and to move to more return seeking assets, were accepted by the Board.

In addition, throughout 2018/19, the Foundation had a number of external sources of funding, most of which are restricted. These are outlined above in section 5d, Fundraising Performance.

As at 31 March 2019, the group had net current assets of £1.0 million (2018: £nil) and reserves of £12.0 million (excluding the endowment). UnLtd (exluding the Millennium Awards Trust) had unrestricted reserves of £1.5 million.

c. Plans for future periods

We are now fully embarked on our Going Mainstream strategy, comprising the three elements highlighted above:

1) Realising entrepreneurial potential
2) Connecting to great support
3) Maximising social impact

Our forward plans are primarily to implement the programmes and activities already begun with our partners, whether it is our Thrive accelerators, the UnLtd Impact Fund, our place-based work with Local Trust or Transform Ageing.

Our direct support across awards, ventures and partners, will be enhanced by an integrated research, policy and communications effort, to break down the barriers social entrepreneurs face:

- raising affordable and appropriate capital
- developing successful routes to markets
- accessing specialist advice
- evidencing their impact
- finding the right talent
- making a living.

We will explore further strategic partnerships which are aligned with our values, our impact areas (access to employment, solutions for an ageing society, resilient communities) and our core methodologies (awards and ventures).We are not looking to financial growth, rather to increasing impact and to generating resources which fuel innovation and inclusion efforts.

This is how we are seeking to take social entrepreneurship mainstream.

d. Principal risks and uncertainties

Risk appetite

UnLtd recognises that not all risks are inherently undesirable. Some risks are necessary in order to generate superior returns. The traditional way of managing these risks through a "rule" based compliance approach would be ineffective.

Award Winners - UnLtd has a high risk appetite on Award Winner selection. It seeks out people at a very early stage, often with innovative ideas and no track record, in their journey as social entrepreneurs.

Business development – UnLtd has a high risk appetite in new business development. As a foundation, it is able to experiment in ways which most other agencies cannot. UnLtd is committed to finding new and innovative approaches in the field of social entrepreneurship.

Financial resources – UnLtd has a zero appetite for abuse of funds. However, in order to avoid stifling entrepreneurial spirit, UnLtd's control systems should be designed with a low tolerance level for any abuse of funds.

Investment – UnLtd has a balanced risk appetite. It aims to maximise investment returns whilst seeking to maintain the real value.

Key risks

External funding risks

A number of UnLtd's multi-year programmes with significant external funding are coming to an end in 2019 and 2020. The funding for these programmes also cover a significant % of overheads and core costs. We are working to replace or renew these funders but we want to mitigate against this risk by:

For all of our future fundraising we want to apply three important principles:

- Continuing to prioritise raising new income against our 2019-2022 new strategic priorities, not for additional work
- Our income should be diversified, to avoid dependence on the MAT endowment and a few key institutional partners
- We know it is hard to generate earned income for UnLtd. We will instead endeavour to generate unrestricted income through overhead recovery. We have set a target of 20% overhead recovery rate for all new income
- We will ensure that external income is closely aligned to budgeted costs by category so as to avoid misalignment and therefore reduce budget relieving income.

We will aim to achieve c.50% MAT income, 50% external income 19/20

People risks

As UnLtd is aiming to increase the overall impact of its work, we need to have the right people aligned with the right culture and the right structure. We are developing a people strategy to enhance efficiency and effectiveness of the support we provide.

Investment risks

Risk assessment and control is a central feature of the five-year Investment Review, of the strategic and tactical asset allocation, and of the monitoring of each external manager. The choices made as a result of the 2019 Review reflected a balancing of the risk of failing to maintain Real Value in the longer term, with the risk of near term volatility leading to a severe constraint on UnLtd's ability to spend on operations.

6. STATEMENT OF TRUSTEES' RESPONSIBILITIES

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Strategic Report, the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 group and charity and of the incoming resources and application of resources, including the income and expenditure, of the group and charity for that period.

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

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the Trustees. The Trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Disclosure of information to Auditor

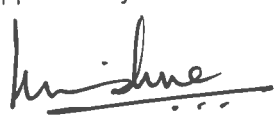
Each of the members of the Board of Trustees has confirmed that:

- So far as he/she is aware, there is no relevant audit information of which the charity's auditors are not aware; and
- He/she has taken all the steps that he/she ought to have taken as a member of the Board in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditor

PKF Littlejohn LLP has expressed its willingness to continue in office as auditors.

Approved by the Trustees on 17 September 2019 and signed on their behalf by:



Trustee
Krishna Vishnubhotla

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF THE FOUNDATION FOR SOCIAL ENTREPRENEURS (UNLTD)

Opinion

We have audited the financial statements of The Foundation for Social Entrepreneurs (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2019 which comprise the Consolidated Statement of Financial Activities (including Income and Expenditure Account), the Consolidated and Parent Charitable Company Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, 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 the parent charitable company's affairs as at 31 March 2019, and of the group's incoming resources and application of resources, including 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 and the Charities Act 2011.

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 period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the Trustees' Report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and 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.

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF THE FOUNDATION FOR SOCIAL ENTREPRENEURS (UNLTD)

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 (incorporating the Directors' Report and Strategic Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report (incorporating the Directors' Report and Strategic 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 group and parent 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 and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) 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.

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF THE FOUNDATION FOR SOCIAL ENTREPRENEURS (UNLTD)

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the charitable company and the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Alastair Duke (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

15 Westferry Circus
Canary Wharf
London E14 4HD

Date: 26 September 2019

PKF Littlejohn LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006

THE FOUNDATION FOR SOCIAL ENTREPRENEURS (UnLtd)
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(incorporating an income and expenditure account)
FOR THE YEAR ENDED 31 MARCH 2019

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2019 £	Total 2018 £
Income and endowments from:						
Donations and legacies	3	90,457	1,737,386	-	1,827,843	4,064,933
Income from charitable activities	4	403,997	-	-	403,997	295,748
Investments	5	4,086,998	-	-	4,086,998	3,261,673
Other trading activities		18,808	-	-	18,808	-
Total income and endowments		4,600,260	1,737,386	-	6,337,646	7,622,354
Expenditure on:						
Raising funds		-	-	607,415	607,415	392,626
Charitable activities	6	5,649,854	2,378,558	-	8,028,412	7,109,844
Total expenditure		5,649,854	2,378,558	607,415	8,635,827	7,502,470
Net gain/(losses) on investments	5	-	-	2,787,440	2,787,440	631,037
Net income / (expenditure)		**(1,049,594)**	**(641,172)**	**2,180,025**	**489,259**	**750,921**
Transfer between funds	2	275,089	(144,163)	(130,926)	-	-
Net movement in funds		**(774,505)**	**(785,335)**	**2,049,099**	**489,259**	**750,921**
Reconciliation of funds:						
Total funds brought forward		8,659,268	4,890,630	136,441,831	149,991,729	149,240,808
Total funds carried forward		**7,884,763**	**4,105,295**	**138,490,930**	**150,480,988**	**149,991,729**

All income and expenditure derive from continuing activities. The net restricted fund expenditure is funded from external income (previously recognised) in restricted reserves.

The statement of financial activities includes all gains and losses recognised.

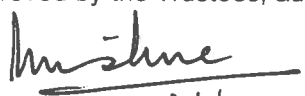
The accompanying notes on pages 34 to 49 form part of these financial statements.

THE FOUNDATION FOR SOCIAL ENTREPRENEURS (UnLtd)
BALANCE SHEETS
AT 31 MARCH 2019

Company number: 4180639

	Notes	2019 UnLtd £	2019 Group £	2018 UnLtd £	2018 Group £
Fixed assets					
Tangible assets	7	28,030	876,925	11,533	869,319
Investments	8	-	148,812,577	-	147,829,435
		28,030	149,689,502	11,533	148,698,754
Debtors: amount due after one year	10	784,017	1,554,050	1,772,804	1,772,804
Current assets					
Debtors: amount due within one year	9	5,527,999	2,693,092	4,604,456	1,622,530
Cash at bank and in hand		341,124	379,568	455,453	594,881
		5,869,123	3,072,660	5,059,909	2,217,411
Creditors: amounts falling due within one year	11	480,370	2,039,908	363,390	2,218,420
Net current assets/(liabilities)		5,388,753	1,032,752	4,696,519	(1,009)
Total assets less current liabilities		6,200,800	152,276,304	6,480,856	150,470,549
Creditors: amounts falling due after more than one year	12	600,000	1,795,316	-	478,820
Total net assets		5,600,800	150,480,988	6,480,856	149,991,729
Funds					
Endowment	13	-	138,490,930	-	136,411,831
Restricted funds		4,105,295	4,105,295	4,890,630	4,890,630
Unrestricted funds		1,495,505	7,884,763	1,590,225	8,682,268
		5,600,800	150,480,988	6,480,856	149,991,729

The accompanying notes on pages 34 to 49 form part of these financial statements.
Approved by the Trustees, authorised for issue on 17 September 2019 and signed on their behalf by:



Trustee
Krishna Vishnubhotla

THE FOUNDATION FOR SOCIAL ENTREPRENEURS (UnLtd)
CONSOLIDATED CASHFLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2019

	2019 £	2018 £
Cash inflow/(outflow) from operating activities		
Net incoming/(outgoing) resources	489,259	750,921
Loan interest charges	7,955	7,418
Depreciation of tangible fixed assets	29,033	33,396
(Increase)/decrease in debtors	(851,812)	(1,260,590)
Increase/(decrease) in creditors	47,902	(171,110)
Investment gains / losses	(2,787,440)	(631,037)
Net cash (used in) operating activities	(3,065,103)	(1,271,002)
Cash inflow/(outflow) from investing activities		
Payment to acquire investments	-	-
Receipts from the sale on investments	1,804,298	1,369,499
Net cash flow provided by investing activities	1,804,298	1,369,499
Cash inflow/(outflow) from financing activities		
Payment to acquire tangible fixed assets	(36,639)	(10,746)
Loan repayments	1,090,084	(94,494)
Interest paid	(7,955)	(7,418)
Net cash flow provided by / (used in) financing activities	1,045,490	(112,658)
Change in cash in year	(215,315)	(14,161)

Analysis of changes in net funds

	At 1 April 2018 £	Cashflow £	At 31 March 2019 £
Cash at bank and in hand (including short term deposits)	594,882	(215,315)	379,567
Loan	(574,046)	94,881	(479,165)
	20,836	(120,434)	(99,598)

1 PRINCIPAL ACCOUNTING POLICIES

(a) General information and basis of preparation

The Foundation for Social Entrepreneurs is a company limited by guarantee with charitable status in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 4 of these financial statements.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements 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 UK and Republic of Ireland (FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

The Foundation for Social Entrepreneurs as a group has substantial assets in the form of an endowment. The majority of the endowment is invested in funds with high liquidity. The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern and therefore the financial statements are prepared on that basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

(b) Funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds represent those assets which must be held permanently by the charity. Income arising on the endowment funds can be used in accordance with the objects of the Millennium Awards Trust and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund.

(c) Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income, after any performance conditions have been met, when the amount can be measured reliably and when it is probable that the income will be received.

Income from donations is recognised on receipt, unless there are conditions attached to the donation that require a level of performance before entitlement can be obtained. In this case income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail of the contribution of volunteers to the charity is given in the Trustees' Annual Report.

Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income is earned through holding assets for investment purposes such as shares. It includes dividends and interest eaarned. Interest income and dividends are recognised when receivable.

(d) Expenditure recognition

All expenditure is accounted for on an accruals basis. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Grants payable to third parties are included in expenditure on charitable activities. Where unconditional grants are made, these amounts are recognised when a constructive obligation is created, typically when the grant is approved. Where grants are conditional on performance, then the grant is only recognised once any unfulfilled conditions are outside of the control of the charity.

(e) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

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

Freehold land	n/a
Freehold buildings	25 years
Fixtures and fittings	4 years
Computers	3 years

(f) Investments

Publicly traded investments, or those where fair value can otherwise be measured reliably, are measured at fair value at each balance sheet date, with changes in fair value recognised in 'net gains / (losses) on investments' in the SoFA. Other investments are measured at cost less impairment.

(g) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

(h) Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method.

(i) Derivatives

Derivative financial instruments are initially measured at fair value at the date on which a derivative contract is entered into and subsequently at each balance sheet date. Changes in fair value are recognised in the relevant expenditure heading in the SoFA.

(j) Provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

(k) Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

(l) Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010. It therefore meets the definition of a charitable company for UK corporation tax purposes.

(m) Group accounts

These financial statements consolidate the results of the Millennium Awards Trust, FSE Management Services Limited (company limited by guarantee), UnLtd Scotland, UnLtd Impact Support Company Limited and UnLtd Venture Growth Support Limited on a line by line basis. They are prepared on the basis that the Foundation for Social Entrepreneurs (UnLtd) will remain as sole Trustee of the Millennium Awards Trust in perpetuity. Should this change, the basis on which these financial statements are prepared may need to be reconsidered.

2 Funds Analysis

Restricted Funds	Fund balance At 1 April 2018 £	Incoming resources £	Outgoing resources £	Fund Transfers & investment gains/(losses) £	Fund balance at 31 March 2019 £
Big Lottery Fund - Live	-	-	-	-	-
Big Lottery Fund – BVC II	416,068	121,255	168,409	-	368,914
Big Local Trust – Star people	1,452,405	-	443,294	(62,816)	946,295
Royal Society of Wild Life Trust	582,931	-	212,991	(28,623)	341,317
Esmee Fairbain I	14,742	-	8,062	-	6,680
Esmee Fairbain II	34,255	(50,000)	25,479	41,224	-
Comic Relief II	259,082	(22,249)	(909)	-	237,742
Design Council	90,416	1,110,362	774,443	(79,141)	347,194
KU Leuven	-	(334)	-	334	-
HEFCE	252,360	-	-	-	252,360
DCMS	9,614	-	43	-	9,571
Sandwell	38,476	-	-	-	38,476
UBS	-	-	2,000	2,000	-
Santander II	334,463	-	(2,722)	-	337,185
JP Morgan	68,457	-	-	-	68,457
Global networks	-	1,642	44,533	42,891	-
Pro bono networks	-	-	13,417	13,417	-
Thrive: A2E	1,102,205	99,720	377,507	(76,466)	747,952
TSIP	235,156	-	158,621	(3,854)	72,681
Impact	-	-	64	64	-
Postcode Innovation	-	205,170	41,598	-	163,572
The Royal Foundation	-	28,520	21,413	-	7,107
Thrive: SFAS	-	87,500	59,615	-	27,885
Pioneers	-	-	2,864	-	(2,864)
Purposely	-	-	1,092	-	(1,092)
Macarthur Foundation	-	155,800	-	-	155,800
Other	-	-	26,744	6,807	(19,937)
Total Restricted Funds	4,890,630	1,737,386	2,378,558	(144,163)	4,105,295
Endowment Funds	136,441,831	-	607,415	2,656,514	138,490,930
Unrestricted Funds*	8,659,268	4,600,260	5,649,854	275,089	7,884,763
Total Funds	**149,991,729**	**6,337,646**	**8,635,827**	**2,787,440**	**150,480,988**

*Within Unrestricted Funds £0.5m has been designated for the development of new programme of activities and the migration from an annual opportunity-led to a three year strategy-led budgeting process.

Transfers from restricted funds to unrestricted funds represent the allocation of support costs for the running of restricted projects. Support costs allocated include premises costs, staff costs, IT and management costs. An analysis of total support costs is shown in note 6.

Funds Analysis

Restricted Funds	Fund balance At 1 April 2017 £	Incoming resources £	Outgoing resources £	Fund Transfers & investment gains/(losses) £	Fund balance at 31 March 2018 £
Big Lottery Fund - Live	-	-	-	-	-
Big Lottery Fund – BVC II	1,052,286	(95,339)	539,052	(1,827)	416,068
Big Local Trust – Star people	(22,573)	1,969,861	452,792	(42,091)	1,452,405
Royal Society of Wild Life Trust	859,464	-	247,910	(28,623)	582,931
Esmee Fairbain I	14,794	-	52	-	14,742
Esmee Fairbain II	193,015	-	134,580	(24,180)	34,255
Guys & St Thomas's	1,908	-	-	(1,908)	-
Comic Relief II	431,619	-	128,085	(44,452)	259,082
Coutts	994	-	2,864	1,870	-
Seek	5,396	-	3,809	(1,587)	-
Design Council	4,820	433,401	268,664	(79,141)	90,416
HEFCE	255,360	-	3,000	-	252,360
Cabinet Office – Wayra UnLtd	-	-	-	-	-
Cabinet Office – Youth	-	-	-	-	-
DCMS	32,475	54,000	70,861	(6000)	9,614
Sandwell	78,444	(1)	-	(39,967)	38,476
UBS	7,962	-	13,478	5,516	-
Santander I	25,800	-	-	(25,800)	-
Santander II	334,463	-	-	-	334,463
JP Morgan	68,457	-	-	-	68,457
Global networks	81,828	14,870	130,360	33,662	-
Pro bono networks	-	11,985	31,513	19,528	-
Thrive	-	1,230,331	123,857	(4,269)	1,102,205
TSIP	-	283,500	36,783	(11,561)	235,156
Impact	-	-	1,807	1,807	-
Other	6,513	-	7,500	987	-
Total Restricted Funds	3,433,025	3,902,608	2,196,967	(248,036)	4,890,630
Endowment Funds	139,171,075	-	392,626	(2,336,618)	136,441,831
Unrestricted Funds	6,636,708	3,719,746	4,912,877	3,215,691	8,659,268
Total Funds	**149,240,808**	**7,622,354**	**7,502,470**	**631,037**	**149,991,729**

Transfers from restricted funds to unrestricted funds represent the allocation of support costs for the running of restricted projects. Support costs allocated include premises costs, staff costs, IT and management costs. An analysis of total support costs is shown in note 6.

3 Income from donations and legacies

	2019 £000	2018 £000
Trusts - Big Lottery	127,555	(95,339)
Trusts – Other	1,509,632	3,913,062
Local government	-	54,848
Other	190,656	192,362
	1,827,843	4,064,933

Income from donations and legacies was £1,827,843 (2018 - £ 4,064,933) of which £1,737,386 (2018 - £ 3,902,608) was attributable to restricted funds and £90,457 (2018 - £162,325) was attributable to unrestricted funds.

4 Income from charitable activities

UnLtd has four wholly owned UK trading subsidiaries:

FSE Management Services Limited. This is a company limited by guarantee and having no share capital. The object of the company is to carry on business to procure profits and gains for the purposes of paying them to the Foundation for Social Entrepreneurs (Registered charity Number: 1090393) or any other charitable body which succeeds to its charitable purposes. FSE Management Services Limited is a company registered in England and Wales, company number 6841529. A summary of their trading result is shown below.

UnLtd Scotland. This is a company limited by guarantee and having no share capital. The object of the company is to undertake UnLtd's work in Scotland. UnLtd Scotland is a company registered in Scotland, company number 475273.

UnLtd Impact Support Company. This a company limited by a guarantee. The object of the company is to provide repayable finance to social ventures. UnLtd Impact Support Company Limited is a company registered in England and Wales, company number 10951754.

UnLtd Venture Growth Support. This is a company limited by a guarantee. The object of the company is to provide a combination of debt and equity finance to social ventures. UnLtd Venture Growth Support Limited is a company registered in England and Wales, company number 11568325.

FSE Management Services Limited	**2019 Total £**	2018 Total £
Turnover	83,777	142,772
Expenditure	30,377	19,885
Profit before gift aid	53,400	122,887
Gift aid to UnLtd	53,400	122,887
Retained in subsidiary	-	-

Income from other trading activities was £83,777 (2018 - £142,772) of which £83,777 (2018 - £142,772) was attributable to unrestricted funds.

UnLtd Scotland	2019 Total £	2018 Total £
Turnover	89,537	79,920
Expenditure	89,537	79,920
Profit before gift aid	-	-
Gift aid to UnLtd	-	-
Retained in subsidiary	-	-

Income from other trading activities was £89,537 (2018 - £79,920) of which £89,537 (2018 - £79,920) was attributable to unrestricted funds.

UnLtd Impact	2019 Total £	2018 Total £
Turnover	230,184	73,056
Expenditure	295,733	73,056
Retained in subsidiary	(65,549)	-

Income from other trading activities was £230,184 (2018 - £73,056) of which £230,184 (2018 - £73,056) was attributable to restricted funds.

UnLtd Venture Growth	2019 Total £	2018 Total £
Turnover	500	-
Expenditure	1,800	-
Retained in subsidiary	(1,300)	-

Income from other trading activities was £500 (2018 - £Nil) of which £500 (2018 - £Nil) was attributable to unrestricted funds.

5 Income from investments

	Unrestricted £	Endowment £	2019 Total £	2018 Total £
Investment income	4,086,998	-	4,086,998	3,261,673
Investment gains / (losses)	-	2,787,440	2,787,440	631,037

Income from investments was £4,086,998 (2018 - £3,261,673) of which £4,086,998 (2018 - £3,261,673) was attributable to unrestricted funds.

Investment income can be used for general purposes of the Millennium Awards Trust and can be used to reimburse costs incurred by UnLtd in furtherance of the objects of the Trust.

6 Charitable expenditure – costs of support to social entrepreneurs

	Direct Costs	Grants	Support Costs	2019 £	2018 £
Support for social entrepreneurs	3,006,348	2,259,362	2,762,702	8,028,412	7,109,844
	3,006,348	2,259,362	2,762,702	8,028,412	7,109,844

£2,378,558 (2018 - £2,196,967) of the above costs were attributable to restricted funds and £5,649,854 (2018 - £4,912,877) of the above costs were attributable to unrestricted funds.

	2019 £	2018 £
Direct costs analysis		
Salaries	2,156,647	1,996,688
Partners	157,526	521,777
Events	374,463	225,683
Travel	317,712	259,695
	3,006,348	3,003,843
Grants analysis		
Try It	37,955	28,518
Do It	1,124,907	766,160
Grow It	-	17,163
Ventures	1,096,500	1,140,243
	2,259,362	1,952,084

	2019	2018
	£	£
Support costs analysis		
Salaries	1,261,460	902,859
Premises	338,266	376,174
IT	280,556	177,185
Marketing	352,583	396,375
Depreciation	29,033	33,396
Governance	40,125	67,955
Trading activity in subsidiaries	417,447	172,861
Other	43,232	27,112
	2,762,702	2,153,917

Governance costs analysis		
Trustees expenses	4,967	2,202
Legal	6,988	36,660
Audit (external)	28,170	29,093
	40,125	67,955

Net income / (expenditure) is stated after charging:

	2019	2018
	£	£
Depreciation	29,033	33,396
Operating lease rentals – land and buildings	50,088	41,167
Interest payable on bank loans	7,748	7,418
Investment gains and losses	2,787,440	631,037

7 Tangible fixed assets (Consolidated)

	Land	Building	Computer and IT	Furniture and fixtures	Total
	£	£	£	£	£
Cost					
At 1 April 2018	800,000	125,000	279,625	564,718	1,769,343
Additions	-	-	36,639	-	36,639
At 31 March 2019	800,000	125,000	316,264	564,718	1,805,982
Depreciation					
At 1 April 2018	-	75,000	268,089	556,935	900,024
Charge for the year	-	5,000	20,142	3,891	29,033
At 31 March 2019	-	80,000	288,231	560,826	929,057
Net book values					
At 31 March 2019	800,000	45,000	28,033	3,892	876,925
At 31 March 2018	800,000	50,000	11,536	7,783	869,319

7 Tangible fixed assets (UnLtd)

	Computer and IT	Furniture and fixtures	Total
	£	£	£
Cost			
At 1 April 2018	272,985	13,058	286,043
Additions	36,639	-	36,639
At 31 March 2019	309,624	13,058	322,682
Depreciation			
At 1 April 2018	261,452	13,058	274,510
Charge for the year	20,142	-	20,142
At 31 March 2019	281,594	13,058	294,652
Net book values			
At 31 March 2019	28,030	-	28,030
At 31 March 2018	11,533	-	11,533

8 Investments

	Unrestricted funds £	Endowment funds £	Total £
Market value at 1 April 2018	11,387,604	136,441,831	147,829,435
Net unrealised/realised investment gains / losses	-	2,787,440	2,787,440
Investment income earned	4,086,998	-	4,086,998
Investment income drawdown	(5,284,109)	-	(5,284,109)
Investment charges deducted	(23,789)	(583,398)	(607,187)
Market value at 31 March 2019	10,166,704	138,645,873	148,812,577

Asset allocation:	
UK Treasury 8.00%	7,183,292
GS – Liquid reserves and cash	358,460
Charities Property Fund	11,969,360
AQR Capital Management	13,757,418
Dimensional – Global Core Fund	41,254,502
Dimensional – Emerging Markets Equity	29,406,212
Amundi MSCI Europe ETF	18,188,512
Amundi Index Japan	6,778,218
Amundi Index Pacific ex Japan	3,484,219
HICL	16,432,384
Market value at 31 March 2019	148,812,577

All investments are held by the Millennium Awards Trust.

9 Debtors : amounts falling due within one year

	UnLtd 2019 £	Group 2019 £	UnLtd 2018 £	Group 2018 £
Trade debtors	181,876	250,603	79,895	134,481
Grants receivable	2,253,136	2,253,136	1,395,469	1,395,469
Prepayments and accrued income	94,847	105,292	88,797	88,797
Other debtors	20,097	20,097	3,783	3,783
Amounts due from subsidiary undertakings	2,978,043	-	3,036,512	-
Loans	-	63,964	-	-
	5,527,999	2,693,092	4,604,456	1,622,530

10 Debtors : amounts falling due after one year

	UnLtd 2019 £	Group 2019 £	UnLtd 2018 £	Group 2018 £
Trade debtors	-	-	-	-
Grants receivable	781,832	781,832	1,756,810	1,756,810
Prepayments and accrued income	-	-	-	-
Other debtors*	2,185	2,185	15,994	15,994
Amounts due from subsidiary undertakings	-	-	-	-
Loans	-	770,033	-	-
	784,017	1,554,050	1,772,804	1,772,804

* Other debtors includes staff season ticket loan and temporary floats

11 Creditors: amount falling due within one year

	UnLtd 2019 £	Group 2019 £	UnLtd 2018 £	Group 2018 £
Trade creditors	263,026	263,026	197,700	197,884
Awards accruals	-	1,407,475	-	1,703,506
Accruals and deferred income	105,101	158,502	75,744	129,648
Other taxes and social security	89,448	91,399	77,280	79,121
Other creditors	22,795	23,384	12,666	13,034
Loan (see note 12)	-	96,122	-	95,227
	480,370	2,039,908	363,390	2,218,420

All awards are payable within one year

Awards accruals breakdown	UnLtd 2019 £	Group 2019 £	UnLtd 2018 £	Group 2018 £
Try It	-	14,610	-	3,960
Do It	-	1,351,571	-	1,461,102
Build It	-	41,294	-	238,444
Fast Growth	-	-	-	-
	-	1,407,475	-	1,703,506

12 Creditors: amounts falling due after more than one year

	UnLtd 2019 £	Group 2019 £	UnLtd 2018 £	Group 2018 £
Deferred Income	-	227,309	-	-
	-	227,309	-	-

	Group 2019 £	Group 2018 £
Loan from Triodos Bank:		
Amounts falling due:		
After one year and before two years	97,672	96,521
After two years and before five years	285,370	297,500
After more than five years	-	84,799
	383,042	478,820
Within one year (see note 11)	96,122	95,227
	479,164	574,047

The loan is repayable in 204 equal monthly instalments from November 2006. The loan bears interest at 0.85% above the bank base rate and interest is payable as it is charged. The loan is secured over the freehold property of the Millennium Awards Trust and certain securities.

Loan from Others:

	UnLtd 2019	Group 2019	UnLtd 2018	Group 2018
	£	£	£	£
Amounts falling due:				
After one year and before two years	-	-	-	-
After two years and before five years	-	584,965	-	-
After more than five years	600,000	600,000	-	
	600,000	1,184,965		

13 Endowment

The Millennium Awards Trust was endowed by the Millennium Commission with a National Lottery grant of £100 million as a permanent source of grants for individuals throughout the United Kingdom to develop their own skills and talents and to contribute to the community.

The Trustee is under a duty to obtain the maximum return consistent with a policy of seeking to maintain the "Real Value". Any excess above this value can be regarded as income funds and used to

make awards and meet running costs.

All of the income of the fund is available to make awards and pay for the administration of the awards scheme.

14 Staff numbers and costs

	2019 £	2018 £
Salaries	2,864,894	2,490,779
Social security costs	292,812	263,370
Pensions	161,162	78,052
	3,318,868	2,832,201
Average weekly number of employees during the period calculated on full time equivalent basis was:	70	61

The number of employees during the period who earned over £60,000 in the year was as follows:

	2019	2018
£60,001 to £70,000 per annum	5	2
£70,001 to £80,000 per annum	1	1
£80,001 to £90,000 per annum	1	-
£110,001 to £120,000 per annum	-	1
£120,001 to £130,000 per annum	1	-

Total redundancy / termination payments of £ 30,860 (2018 - £ 59,509) were made to 3 individuals (2018: 3 individuals).

Trustees received no remuneration but total expenses of £ 4,967 on travel were reimbursed to 3 Trustees (2018 - £2,202 reimbursed to 6 Trustees) during the reporting period. Protector fees of £5,000 (2018 - £5,000) were payable.

The aggregate remuneration recevived by key managment personnel totalled £583,703 (2018: £486,074). Key management personnel includes CEO, Director of Corporate Services, Director of Ventures, Director of Awards, Director of Partnerships and Influence and Director of Research and Impact.

15 Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2019 £	2018 £
Not later than one year	28,739	52,317
Later than one and not later than five years	37,625	87,316
Later than five years	-	80,625
	66,364	220,258

16 Financial instruments and associated risks

The charity holds a number of financial assets (for example investments, debtors and cash) which meet the definition of basic financial instruments under the FRS 102 SORP.

The charity also holds a number of derivative financial instruments eg interest rate swaps, options and forward contracts. AQR values Portfolio Securities using market-based valuations when they are readily available. When market-based valuation is not available for a Portfolio Security, the Portfolio Security may be fair valued by (i) the Valuation Committee or (ii) a relevant Pricing Service. The Investment Manager has established a Valuation Committee to oversee the day-to-day valuation of the Funds' Portfolio Securities in accordance with this Valuation Policy.

UnLtd, through investment in various funds as determined by its investment strategy, maintained positions in a variety of derivative and non-derivative financial instruments. UnLtd's investing activities expose it to various types of market risks that are associated with the financial instruments and markets it invests in.

Market risk includes currency risk, interest rate risk and price risk. The market risk management strategies of the funds UnLtd invests in are driven by the funds' investment objectives. The investment managers employed by UnLtd are instructed to manage risks in accordance with agreed policies and procedures.

Other than for its management of the Endowment, UnLtd does not use financial instruments.

17 Related party transaction

There have been no related party transactions in the year.

18 Net Assets Fund Analysis

	Unrestricted £	Restricted £	Endowment £	Total 2019 £
Fixed assets	876,925	-	-	876,925
Investments	10,321,647	-	138,490,930	148,812,577
Net current assets/(liabilities)	(3,072,543)	4,105,295	-	1,032,752
Long term debtors	1,554,050	-	-	1,554,050
Long term creditors	(1,795,316)	-	-	(1,795,316)
	7,884,763	4,105,295	138,490,930	150,480,988

	Unrestricted £	Restricted £	Endowment £	Total 2018 £
Fixed assets	869,319	-	-	869,319
Investments	11,387,604	-	136,441,831	147,829,435
Net current assets/(liabilities)	(4,891,639)	4,890,630	-	(1,009)
Long term debtors	1,772,804	-	-	1,772,804
Long term creditors	(478,820)	-	-	(478,820)
	8,659,268	4,890,630	136,441,831	149,991,729