TRUSTEES' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

THE FOUNDATION FOR SOCIAL ENTREPRENEURS (UnLtd)

Charity No. 1090393
Company No. 4180639

MILLENNIUM AWARDS TRUST

Charity No. 1095749

UNLTD SCOTLAND

Company No. 475273

FSE Management Services Ltd (Company limited by guarantee)

Company No. 6841529

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.

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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 2015 onwards it will provide 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.

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 and FSE Management Services Ltd in the year.

1. LEGAL AND ADMINISTRATIVE INFORMATION

Trustees of the Foundation for Social Entrepreneurs (UnLtd)

Name	Appointment date	Resignation date (if applicable)
Anthony Freeling	27 September 2004	9 June 2014
Jason Shaw	26 July 2010	8 March 2015
John Brown	27 September 2004	9 June 2014
Judith McNeill	28 May 2008	
Loic Menzies	9 June 2014	
Martin Wyn Griffith (Chair)	28 May 2008	
Mary Pollard	8 June 2015	
Natalie Campbell	28 May 2008	
Nicholas Farhi	9 June 2014	
Nick Petford	8 June 2015	
Norman Cumming	31 October 2005	
Rajeeb Dey	28 May 2008	
Richard Tyrie	28 May 2008	
Ruth Dobson	9 June 2014	
Sue Charteris	9 June 2014	

Committees

Finance and Audit Committee	Investment Committee	Nominations, Remuneration and Governance Committee	Strategy and Development Committee	Awards and Delivery Committee
Ruth Dobson (Chair)	Norman Cumming (Chair)	Judith McNeill (Chair)	Nick Farhi (Chair)	Richard Tyrie (Chair)
Nicholas Farhi	Anne Glover	Martin Wyn Griffith	Rajeeb Dey	Loic Menzies
Nick Petford	Hosein K-Hosseiny		Natalie Campbell	Sue Charteris
	Elroy Dimson		Sue Charteris	Hayley Collen
	Martin Wyn Griffith		Mary Pollard	Nick Petford
	Nick Measham			

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 and 2015 by the Secretary of State for Culture, Media and Sport. The Protector's current term of office will run until 26 January 2018. 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

External Auditors
BDO LLP
55 Baker Street
London
W1U 7EU

Internal Auditors
Deloitte LLP
2 New Street Square
London
EC4A 3BZ

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

Taube Hodson Stonex Partners LLP
Cassini House
57-59 St James's Street
London
SW1A 1LD

Pictet Asset Management Ltd
Moor House / Level 11
120 London Wall
London
EC2Y 5ET

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

Custodian
State Street
Global Investor Services Group
One Canada Square
London
E14 5AF

2. INTRODUCTION AND OVERVIEW

Welcome to UnLtd – the UK Foundation for Social Entrepreneurs

A social entrepreneur is someone who creates a venture which is firmly committed to making the world a better place. Wherever they are in the UK, whatever their background, UnLtd's role is to find and support these people and to create the environment within which it becomes possible for anyone with the passion and commitment to become a social entrepreneur.

2015 has seen UnLtd deliver with acclaim on our 5 year strategy set out in 2010. We have demonstrated how social entrepreneurs can be supported successfully in disadvantaged areas, through partnerships with other trusts and foundations, major corporates and lottery distributors. We have overcome the first investment barrier for social entrepreneurs with high potential for growth and big impact, through working with "angel" investors and crowdfunding. And we have improved the operating environment for social entrepreneurs, in terms of regulation, tax, public policy, and through leveraging the power of our partners both in the UK and around the globe.

UnLtd has become the entrepreneurial change agent in this rapidly evolving sector of the social economy.

We are now seeing social entrepreneurship enter the mainstream of society. More than 1 in 5 of people who wish to start a new enterprise in the UK now seeks to achieve a social goal. There is burgeoning interest, not only in becoming a social entrepreneur, but in supporting them, investing in their ventures, buying their products, and working as their staff.

Yet challenges remain. It is still difficult for people wishing to start a social venture to find their way to the right support. As the sector grows and matures, it is ever more important to really understand what works. And there are far too few social entrepreneurs reaching the big scale of impact which is vital for our society and also to keep the sector aspirational and attractive to new entrants.

UnLtd is committed to addressing these challenges, and is developing a new and agile strategy to tackle them one by one. We have identified three big hunches about what needs to be done to help social entrepreneurs achieve their ambition to be an integrated, valued part of society:

- To support social entrepreneurs to start better and thrive, we must use our resources and direct experience to learn, share and innovate on what works
- To ensure large numbers of social entrepreneurs get the help they need, we must engage networks of social entrepreneurs and their supporters, embedding and improving support
- To enable social entrepreneurs to deliver impressive results, we must help find new ways to deepen and broaden their impact

These are the foundations on which we are developing new methods of achieving the depth, breadth and scale of impact we know can be achieved. The talent and commitment of social entrepreneurs is unstoppable. Our job is to remove the barriers in their path. Our approach is to embrace everyone and every organization with common cause: testing, learning, sharing the knowhow, and building a sustainable ecosystem to help social entrepreneurs start up and thrive.

We could never achieve as much alone. I would like to thank the people who make all of this possible: our founders and trustees; our strong team of staff, mentors and partners; our generous and imaginative funders; and most of all, the many thousands of social entrepreneurs who put their heart and soul, their brilliant talent, into the tough task of building a better society and economy.

Martin Wyn Griffith
Chair of the Board of Trustees

3. STRUCTURE, GOVERNANCE AND MANAGEMENT

a. Nature of governing document

The Charity is 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.

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 shall be 11 including the Chair. However, in exceptional circumstances, up to 4 additional Trustee appointments can be made.

Trustees shall 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. Following a Special Resolution in December 2014, the Chair of the Investment Committee may be reappointed to a fourth term of office.

During the transition period up until the Trustee appointment meeting in 2015, as set out in the June 2013 constitution, each Member organisation is entitled to nominate a representative to the Nominations, Remuneration and Governance Committee, to be considered to serve as a Partner Trustee.

c. Policies and procedures for induction and training of Trustees

UnLtd has a standard induction and training programme for all new Trustees; this includes scheduled meetings with members of UnLtd's senior management team and the Board of Trustees, an induction day with Award Winning social entrepreneurs, a formal presentation on UnLtd, and an 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 annual 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.

The core corporate team during the year consisted of the Chief Executive; the Director of Finance, HR and ICT; Director of Development; Director of Operations; Director of Ventures who also leads on FSE Management Services Ltd; Director of Research and Policy. In addition the Director of Firstport, a separate charity registered in Scotland, is contracted to provide management support to the staff and operations of UnLtd's work in Scotland.

The Operations Director is responsible for recommending Awards, and final decisions on Awards for the Millennium Awards Trust programme are made by the Awards and Delivery Committee. UnLtd's Awards and Delivery Committee oversees the systems and quality for all categories of Awards, both those made direct and via partners.

Decisions on new developments are initiated by staff within the strategy agreed by the Board, with advice and support from the Strategy and Development Committee and a Trustee designated by the Board to lead on development. 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 shall have regard to the Charity Commission's requirements including their guidance on public benefit. Trustees must at all time act in the best interests of the Charity and must avoid any conflict between their personal or outside interests and those of the Charity.

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 Year Plan
    - The Budget for the year
    - The Investment Policy 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 5 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 Audit Committee.

    UnLtd has appointed two separate professional firms as External and Internal Auditors. Both advise the 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 Audit Committee and Internal Auditors. Through a programme of visits to offices, the Internal Auditors report to the Audit Committee.

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

e. **Connections to a wider network**

UnLtd's wider network has continued to expand over the past year, and included the following funding and delivery partners:

- 29 Universities across 24 partnerships
- 3 Further Education Colleges
- 25 Star Partners though the Big Local Trust scheme
- 13 Housing Associations (included within the list below), through the Building Futures partnerships which ended in November 2014

Actis
Akin Gump LLP
Amicus Horizon
AON
Aspire Housing
Aston University
AVPN
Bain & Co
Barclays
Beatfreeks
Big Lottery Fund
Big Society Capital
B Lab UK
BlastBeat
Blue Acorns
Boston College
Boston Consulting Group
Brand Ethos
British Council
Cabinet Office
Centre for Entrepreneurs
Centrica
Claremont
ClearlySo
Comic Relief
Copenhagen Business School
Coutts Foundation
Debevoise & Plimpton
Deutsche Bank
DLA Piper
Doug Miller
Ed Sellwood
Enabling Enterprise
Esmee Fairbairn Foundation
European Union
EVPA
EY Foundation
Federation of Small Businesses
Free The Children
Freuds
Generation Change
George Salter Academy
GMCVO
Google Campus
Green Accountancy
Grŵp Gwalia
Hamara Ltd
Higher Education Funding Council for England
Hogan Lovells

Hub Birmingham
Impact Hubs
Incommunities
iNHouse Communications
Intentionality
Ixion Holdings
JP Morgan
Kering Foundation
KU Leuven
Local Trust
Make it Happen Consultancy
Manchester Markets
Mathys & Squire LLP
Matrix Housing Partnership
Melody Hossaini via InspirEngage
Millennium Awards Trust
Morrison & Foerster
MySupportBroker
NACUE
National Association of British Market Authorities
National Enterprise Network
National Market Traders Federation
NESTA
New Prospects Association
NG Homes
Nike
O2
OC&C Strategy Consultants
Omagh Enterprise Company
On Purpose
Orrick, Herrington & Sutcliffe LLP
PA Consulting
Participate Projects
PhonepayPlus
Plus Dane Housing Group
Prophet
Regather Co-op Ltd
Rich Benton
Right Track SE
Rothschild
Salterbaxter – MSL Group
Santander
Shaftesbury Partnership
Shared Future
Sheridans
Social Economy Alliance
Social Enterprise Acumen
Social Enterprise UK
Social Impact Investment Taskforce
Social Investment Business
Spirit of 2012
Stockholm School of Economics
Stone King LLP
Swarm
Super Being Labs
Synergy Housing (part of the Aster Group)
Tai Calon
Taylor ITEX
Telefonica
Thai Social Enterprise Office
The Accord Group

The Aspire Group
The Shaftesbury Partnership
The Social Investment Business
Thomson Reuters Foundation
TOMS
Trafford Housing Trust
Trent and Dove Housing
UBS
UNCTAD
University of Southampton
University of Surrey
Valleys to Coast and NPT Homes
Warwick Business School
Wellbeing Enterprises
Yorkshire Housing
Young Enterprise
Youth Business International
Youth Enterprise CIC

It also included 50 Global Social Entrepreneurship Network members in 50 different countries, including the following with whom we have an UnLtd agreement or Memorandum of Understanding:

NPI China
UnLtd Spain
UnLtd USA
UnLtd Hong Kong
Social Enterprise Insights Taiwan
UnLtd Indonesia
Scope Group Malaysia
UnLtd India
LifeCo UnLtd South Africa
Root Impact South Korea
Social Entrepreneurs Agency Portugal
Change Fusion (Unltd Thailand)

f. Related parties

The Foundation (UnLtd) previously had seven active founding Member organisations:

- Bright Red Dot Foundation Limited (trading name Community Action Network, CAN)
- The School for Social Entrepreneurs
- Social Entrepreneurs Network Scotland (SenScot)
- Changemakers
- Comic Relief
- Ashoka UK (withdrew)
- Scarman Trust (withdrew)

The relationship between the five active founding Member organisations and UnLtd was changed in June 2013, when a special resolution was passed to establish new Articles for the Charity. The Members of the Company and Charity are now the Trustees of the Charity, and all Trustee appointments are on recommendation by the Nominations, Remuneration and Governance Committee and decision of the Board. Previous Member organisations had the opportunity to nominate a Partner Trustee during a transitional period until the Trustee Appointment Meeting in 2015, and will continue to be consulted for suggested candidates when the Charity seeks new Trustees.

UnLtd Scotland has a working relationship with Firstport. This operates under a Memorandum of Understanding.

UnLtd operates through a network of delivery partner agencies, currently numbering 170, who deliver 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.

UnLtd India, LifeCo UnLtd South Africa, UnLtd Thailand, UnLtd Spain, UnLtd Hong Kong, UnLtd Indonesia, UnLtd USA, and UnLtd Taiwan, are independent agencies operating in an informal fellowship operating models based on UnLtd. UnLtd licences the name "UnLtd" to each of these organisations for their respective countries. UnLtd also has similar arrangements with Non Profit Incubator in China, Scope Group Malaysia, Root Impact South Korea, and Social Enterprise Agency Portugal. In 2013 UnLtd created the Global Social Entrepreneurship Network as a shared learning platform across a wider range of agencies supporting social entrepreneurs, with a current membership of 52 agencies covering 50 countries.

UnLtd's interest in the Joint Venture, Wayra UnLtd, was first reported in year ending 31 March 2014 consolidated accounts. Wayra UnLtd was established as a company limited by shares owned 50:50 by Wayra UK (subsidiary of Telefonica) and UnLtd. It was created to support a cohort of 30 tech-based social ventures at start-up stage. UnLtd had never intended to make a financial gain from the investment in Wayra UnLtd. It would not seek a share of the net asset position upon winding up of the entity nor will it be expected to fund a share of a net liability position, as Wayra UK (subsidiary of Telefonica) has reconfirmed that it will cover any costs and liabilities in excess of UnLtd's agreed costs as per initial sub grant agreement. It was concluded that UnLtd has no long term interest in Wayra UnLtd beyond the initial 2 years of opearion and an exit agreement was drawn up in January 2015. Therefore it is appropriate for UnLtd to report a disposal of the Joint Venture. The impact of the disposal has improved the year end balance sheet position as reserves are no longer reduced by a share of the Joint Venture liabilities.

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 475273)
- FSE Management Services Ltd (company number 6841529)

The objects of the Foundation for Social Entrepreneurs are:

- The relief of poverty
- The promotion of education and training and
- The advancement of other 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 the 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 shall be 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 and 27 January 2015,with

a fifth three year term of office to run until 26 January 2018. Appointment or reappointment of the Protector of the Millennium Awards Trust is decided by the Secretary of State for Culture Media and Sport.

The Protector shall be 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. Face to face meetings were held with the Protector during the year. 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, and the Foundation for Social Entrepreneurs Scotland (trading as Scotland UnLtd)

UnLtd Scotland is a Company Limited by Guarantee with UnLtd as the sole Member. In 2014/15, UnLtd worked in a collaboration with Firstport, the leading social entrepreneur support agency in Scotland, with its staff seconded to Firstport. During 2015/16, it is expected that Unltd Scotland will manage its own staff to support the Awards activity in Scotland, whilst remaining in collaboration with Firstport to best find and support social entrepreneurs in Scotland. Millennium Awards in Scotland are recommended for decision by UnLtd's Awards and Delivery Committee.

The Foundation for Social Entrepreneurs Scotland, which traded as Scotland UnLtd, was a Company Limited by Guarantee with two members: Senscot and CAN. The company was a delegate of UnLtd under the powers contained in the Millennium Awards Trust Deed, to make decisions on the Trust's Awards in Scotland. The rules of the Trust in respect of delegation made the company a de facto subsidiary of UnLtd. In March 2014, the members of the company decided to cease operations and to cease being a delegate for the Trust.

b. Charity's aims

UnLtd's mission is to reach out and unleash the energies of people who can transform the world in which they live: we call these people social entrepreneurs.

In pursuing this mission, UnLtd's Board has had regard to the Charity Commission's general guidance on public benefit. Significant activities have been undertaken to further our mission and objects.

UnLtd's primary aim is to distribute Millennium Awards to social entrepreneurs. These Awards are funded by the income generated by the £100 million endowment from the Millennium Commission 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 income from the endowment is held by the Millennium Awards Trust, of which UnLtd is the sole Trustee. This legacy is invested as a permanent endowment so that it generates sufficient income to fund UnLtd's Millennium Awards in perpetuity.

UnLtd also seeks to add to these resources, raising further funds to increase the volume and quality of support to social entrepreneurs across the UK, including young people and others who are not eligible for support from the Millennium Awards Trust.

UnLtd Award Winners receive a complete, tailored package of money, training, advice and networking at every stage of their Awards. UnLtd also arranges pro bono support from leading professionals and companies, and offers intensive business support and mentoring to the most promising social

entrepreneurs through UnLtd Ventures. UnLtd provides support directly to social entrepreneurs, supports other organisations to learn how to provide such support, and works as the entrepreneurial change agent to help build an ecosystem of support for social entrepreneurs more widely.

UnLtd creates public benefit by inspiring and supporting people to become social leaders, developing their skills and confidence to create social or environmental benefit, encouraging others to follow their example, helping people to create new social ventures and social innovations, helping some of these achieve large scale social and economic impact, and helping other organisations to deliver similar benefits. UnLtd also offers volunteering opportunities which help people gain work related skills.

UnLtd Awards are open to application by prospective social entrepreneurs from all backgrounds. Specific work has been carried out to extend the age range covered and to ensure good coverage of all parts of society and across the UK. Benefit is therefore made to the public at large.

UnLtd is also committed to conducting research into the impact of the Awards which are made. The research findings demonstrate the benefits to the public of our work and are used to improve the quality of our support and to assist the development of public policy in this area.

c. Volunteer help

The Volunteering & Pro Bono team foster relationships between social entrepreneurs, business professionals, peers and mentors to improve and inspire positive social impact.

Corporate partners that provide people, expertise, pro bono support, finance and in-kind venues include: Actis, EY Foundation, Deutsche Bank, Hogan Lovells, DLA Piper, Debevoise & Plimpton, PA Consulting, Thomson Reuters (TrustLaw Connect), Bain, Salter Baxter, Stone King LLP, Sheridans, Mathys & Squire, Google (Google Campus), Centre for Entrepreneurs.

Total financial value of pro bono support & resources provided by our partners in 2014/15 was: £1.6M

Breakdown:

a. 157 individual 1:1 matches
b. 572 social entrepreneurs reached through webinars, workshops & sector events
c. 31 free venues for events & meetings
d. Revenue raised through corporate partners: £140K

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 4 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.

Build It Awards: for individuals whose ideas are already off the ground and now want help taking the project to the next level. The funds (of up to £15,000) are to enable the social entrepreneur to work full time on their venture, and are backed by more intensive development support and networking.

Our Ventures team also provides consultancy support and larger **Fast Growth Awards** to a small number of outstanding social entrepreneurs, helping them to scale up or replicate their projects. UnLtd Ventures also helps outstanding social entrepreneurs to build their capacity and skills as leaders and managers, to scale and win investment with the **Big Venture Challenge** scheme, and to help them to develop projects and organisations with robust infrastructures.

Most of our other schemes, 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.

Equal Opportunities Policy

UnLtd is committed to the adoption and implementation of equality of opportunity in all its activities.

UnLtd is an Equal Opportunity Employer. UnLtd has committed itself to ensure that it does not discriminate on the grounds of gender, marital status, race, colour, nationality, ethnic origin, religion, disability, age or sexual orientation. Every possible step will be taken to ensure that staff, clients, partners, suppliers and any other person with whom we have dealings are treated fairly and equally and that decisions on recruitment, selection, redundancy, dismissal, training, promotion, career management, collaborations, take-up of our services and selection of suppliers are based solely on objective criteria.

In the event of a grievance of any nature members of staff should refer the matter to their manager or in exceptional circumstances to the manager's manager. UnLtd will promptly and thoroughly investigate any allegation of discrimination and harassment and initiate whatever action is appropriate to deal with the allegation and to prevent recurrence.

Each and every member of UnLtd is responsible to ensure that this policy is implemented and the spirit of equal opportunity is adopted throughout the organisation.

The CEO is responsible for ensuring equal opportunities data is collected and analysed and for monitoring and evaluating the effectiveness of this policy.

This policy is reviewed on an annual basis by the senior management team and reported to the Board of Trustees.

Remuneration Policy

In determining rewards for its employees, UnLtd must make judgements that balance a number of, at times, contradictory factors. The choices will often not be easy. Therefore the reward philosophy has been developed to be a tool to facilitate the achievement of UnLtd's aims and objectives. The principles will provide a framework within which, and benchmark against which, all UnLtd's Remuneration Policies and Practice can be set, monitored and evaluated.

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 Charity set a remuneration level for the Chief Executive (CEO) in 2006 as part of a recruitment exercise. The pay point was set at £100,000, plus a 10% pension contribution, to recruit a CEO who would have the capability to take the UnLtd's work well beyond its initial scale, and to achieve much wider impact in support of social entrepreneurs. The Trustees believe this has been a successful decision.

The pay level was increased by CPI inflation up until 2011, to the amount of £114,580. At this point the incumbent CEO took a voluntary decision to refuse any further increase whilst the recession continued. The CEO pay remains at this level for the financial year 2015/16.

In 2013, UnLtd conducted a constitutional review, including the creation of a Nominations, Remuneration and Governance Committee. This NRG Committee oversees the appraisal and performance review of the CEO, including decisions on remuneration. 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 senior staff

Decisions on remuneration of the other senior staff, i.e. the 5 directors in the Senior Management Team, have been set in line with the Remuneration Policy for all other staff.

In the light of UnLtd's continued development and ambition for greater impact, senior staff pay was reviewed during the financial year 2014/15 alongside an organisational review of the Senior Management Team. The review indicated that UnLtd's lowest paid staff were above the median for our sector and size, the main body of staff were in line with the average, and that managers at "head of function" level and senior staff were below the average. UnLtd increased the salary bands for the "head of function" group but decided not to raise senior staff salaries given the wider economic environment.

Conflict of Interest Policy

The conflict of interest policy is set out to protect UnLtd (including our staff, Trustees, Award Winners and people closely associated with UnLtd) from:

- Perceived or actual conflicts of interest
- Adverse publicity
- Breach of legal or regulatory rules
- Perceptions of unfairness
- Relationship difficulties should applications be refused or awards be delivered poorly

UnLtd recognises that there are two forms of potential conflicts of interest that may arise:

- Where a Trustee or member of staff has a direct personal interest in a payment made by UnLtd; and
- Indirect personal interest where a payment is made by UnLtd to an organisation/individual with which a Trustee/employee/adviser has a relationship, either as employee, trust or in some other way e.g. donor.

Direct conflicts of interest

Any such payments must be notified to the Protector and sanctioned by the Charity Commission in the absence of an express power in the Memorandum and Articles of Association to make such payments.

Indirect conflicts

Any payment or relationship that could give rise to an indirect conflict of interest must be brought to the Board. Before the matter is discussed by the Board, the Trustee concerned must declare his or her Conflict of Interest and shall be entitled to participate in the discussion on the matter but shall not be entitled to vote. If necessary the Trustee involved shall absent him or herself from the meeting for the duration of the discussion, if asked to do so by the chairman of the meeting.

At each stage where a decision is made in either the Awards assessment and selection procedure or the procedure for determining the support to be provided to Award Winners, those participating as panel members must sign the declaration on each form to confirm that they have neither a private or pecuniary interest in the applicant.

In addition to the above, UnLtd will adhere at all times to Clause 11 (conflict of interest and remuneration) of the Trust Deed. Specific detailed guidance is also provided to staff and Trustees in respect of interests relating to Award applicants.

Trustees and Senior Staff

Recognising that Trustees and senior staff are in particularly influential positions, our policy is that they should make an annual proactive declaration of interests in a standard form, in addition to stating any additional interests which may arise during the year and in the course of the charity's business. The declarations form part of the register of interests.

Register of Interests

A Register of Interests is maintained by the office of the CEO and is available for inspection at 123/127 Whitecross Street, Islington, London, EC1Y 8JJ.

Complaints Procedure

UnLtd's Complaints Procedure was reviewed in 2014/5 and is as follows:

- The purpose of UnLtd's Complaints Procedure is to investigate complaints made by individuals, to resolve the issues raised, and to enable us to learn from any mistakes and to improve our services. All complaints are taken seriously.
- The Complaints Procedure is designed to try and resolve complaints locally to the satisfaction of the person complaining. In the first instance, the person making the complaint should telephone or write to the Operations Director.
- The Operations Director will deal with the complaint promptly and will acknowledge it within 5 working days.
- The Operations Director may need some time to investigate the matter but a written reply will be provided within 2 weeks.
- If the person making the complaint is not happy with the response from the Operations Director they may write to the Chief Executive of UnLtd.
- The Chief Executive will acknowledge receipt of the complaint within 5 working days. He / she will then investigate the complaint and will reach a decision on action to be taken, usually within 2 weeks. He / she will write to the person making the complaint with his / her decision.

- The decision of the Chief Executive is final. He / she will also report all complaints to the Board of Trustees every three months and they may choose to review both the complaint and the Chief Executive's decision.
- There is no right of appeal against decisions taken by the Board of Trustees on individual applications for Awards.
- If at any stage a complaint is upheld we will apologise and provide an explanation. We will also provide an assurance that the same thing will not happen again and take action to put things right.

During the year 5 complaints were received, four of which were dealt with by the CEO. A further anonymous complaint sent to BLF was resolved in April 2014. Complaints related to delays in processing applications, lack of adequate information and dissatisfaction with reasons given for applications not being approved. All complaints were either resolved or withdrawn.

Employee Consultation Policy

UnLtd is committed to consulting and informing its staff on proposals and developments and does so through:

- Annual staff development meetings
- Minimum of two National Days
- Quarterly meetings for all frontline staff and regular team meetings for support staff
- Bulletins from the Chief Executive and regular updates on our intranet

A staff survey was not conducted in 2015, the Energy Index method not judged to be sufficiently challenging. A new survey will be sourced and undertaken in 2015/16.

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 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

The Board of UnLtd, in its capacity as Trustee of the Millennium Awards Trust, is responsible for the investment of the Endowment. The Trustee may exercise the power of investment provided it has first taken proper investment advice. We delegate to the Investment Committee 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.

We seek to have a knowledgeable and experienced Investment Committee. To this end we appoint distinguished academics and investment practitioners, as well as drawing on the ranks of our Trustees.

Investment of the Endowment is subject to a number of objectives and constraints set out in our Trust Deed, most notably:

i) The Trustee needs to seek to obtain the maximum return, consistent with a policy of seeking also to maintain the Real Value (which is the original value of the Endowment as adjusted for changes in the consumer prices index).

ii) The Trustee is required in any year to apply at least 75% of the income arising from the Endowment in furtherance of the Objects. The balance of up to 25% may be placed in an Income Reserve, which may itself be invested. Income arising from investment of the Income Reserve is free of the 75% restriction.

iii) If the capital value of the Endowment is above Real Value, an amount up to the difference may be treated as additional income, and used as described in (ii) above.

iv) If the capital value falls below Real Value, capital may not be spent, but capital transferred to the income reserve in previous years is unaffected. In addition, income may still (and at least 75% must) be spent, and funds from the Income Reserve may also be spent.

We invest so as to meet the various different objectives of the Trust Deed. In practice this involves investing across a number of different asset classes, balancing expected return, volatility, income 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 meeting the return and maintenance-of-real value objectives stipulated in the Trust Deed.

Between Investment Reviews, we carry out limited tactical reallocation within asset classes, in response to market developments.
The 2013 Review resulted in a significant shift towards a more return-seeking portfolio, that is likely also to be more volatile. We shifted away from fixed income and from a hedge fund tracker, towards emerging market equities, property, and an innovative approach to alternatives.

Based on new evidence on the likely long run returns from different asset classes, documented in the Review, we also reduced our long run target spending level from 4.17% to 3.75% of the value of the portfolio.

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.

All components within the portfolio are being managed by external investment managers.

We favour low-cost active management. In some cases this active management is in the form of systematic tilts towards factors (e.g. book-to-price) which have added value historically. Our internal analysis shows that active management has added usefully to the performance of the portfolio in recent years.

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 problems are subject to intensive review.

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 2013 Review reflect 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. Concentration risk is considered in manager choice.

We are conscious of our responsibilities as an asset owner. The requirements of the Trust Deed have an overriding influence on investment decisions. Environmental, social and governance (ESG) issues have an impact on investment decisions insofar as they affect our ability to fulfil our obligations.

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 information on engagements with companies that they hold.

We invest in pooled vehicles and do not have direct holdings in individual securities. If that were to change, we would ask our investment managers to seek prior approval from UnLtd for controversial purchases. Consistent with our beliefs, we are a signatory to the UN-sponsored Principles for Responsible Investment.

Direct programme- or mission-related investments are not permitted by the Trust Deed. Achieving the best returns across the full range of investments allows UnLtd to help the greatest possible number of social entrepreneurs to begin their own activities.

Environmental, Social and Corporate Governance

As an institutional investor, UnLtd has a duty to act in the best long-term interests of our beneficiaries. In this fiduciary role, we believe that environmental, social, and corporate governance (ESG) issues can affect the performance of investment portfolios (to varying degrees across companies, sectors, regions, asset classes and through time).

UnLtd has been a signatory to the Principles for Responsible Investment (PRI) since February 2013, and we are committed to the following six principles:

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 implements these principles in accordance with the MAT Trust Deed and trust law. We engage actively with our existing and potential external investment managers on ESG issues. All UnLtd's current external investment managers are themselves signatories (or are considering signing up) to PRI. Further information in relation to each investment manager's ESG approach can be found below:

GSAM - http://www.goldmansachs.com/gsam/institutions/emea/about-us/citizenship/index.html

Charities Property Fund - http://www.cordeasavills.com/about-us/responsible-investment.aspx

THS - http://www.thspartners.com/media/98947/ESG-Policy-2014.pdf

PICTET -
http://www.pictet.com/corporate/en/home/about_pictet/corporate_citizenship/sri_investing.html

Dimensional - http://us.dimensional.com/process/corporate-governance/responsible-investment-policy.aspx

Financial instruments and associated risks

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.

a. 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 could be significant. An income reserve has been established in order to provide a buffer between market fluctuations and spending level for the Trust. The Trustees aim to maintain an income reserve that would sustain the spending level of the Millennium Awards scheme when likely future income is also taken into account.

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 is aiming to generate sufficient free reserves to support the development of an appropriate programme of activities in addition to Millennium Awards Trust activities. UnLtd needs to develop sufficient reserves to support these activities with a robust financial platform as the basis for future developments. In

the longer term UnLtd therefore aims to build reserves equal to three months of non Millennium Awards Trust expenditure.

Where UnLtd carries out activities which would not be eligible for funds from the Millennium Awards Trust, for example support for social entrepreneurs aged under 16 or whose work is international rather than for UK benefit, we cannot rely on the risk cover provided by the Trust reserves. The majority of our funds for such activities comes in the form of a number of long term contracts. The principal risk is therefore circumstances which cause an unexpected cancellation of contracts, leading to unfunded close-down costs of typically 3 months' expenditure. Most of the contracts are multi annual, so the risk is mitigated by on-going work. At the end of March 2015, UnLtd's reserves were equal to 7.7 weeks of restricted expenditure.

5. STRATEGIC REPORT

a. Performance achieved against objectives set 2014/15

Objectives for the year 2013/14

UnLtd's key objective during the year 2014/15 was to continue progress on a five year strategic plan agreed in 2010, whilst continuing to provide direct support to social entrepreneurs and to increase the numbers helped and the quality of support offered. The year plan was organized around embedding existing work, delivering commitments, and designing new innovations.

Performance on year plan for 2014/15

Key: Green = achieved; Amber = partial achievement or will be achieved with some delay; Red = not achieved and unlikely to be.

Performance against Year Plan 2014/15				
	Priority	**Objective**	**Traffic Light**	**Outcome Notes**
	Embed			
1.	Embedding cultural change across the charity	Instigate programme of professional development for frontline staff to ensure they are able to support all MAT Awards and innovative external programmes. Rollout performance management to all frontline staff Create UnLtd Associates	Green	Team wide project management and facilitation training complete. Practice days organised. Team now supporting Fast Growth Achieved from April 2014 Associates recruited
		Embed values for all staff	Green	As originally set out our values are embedded and evident amongst staff.
			[redacted]	However, our new strategy requires a deep review of our values and we see this as a major priority for the future
2	Refining our new Awards	Implement actions as a result of product evaluation	Green	Extensive development of support methodologies
		Implement on-going mechanism for developing new and refining existing products	Green	New M&E Framework in place and R&D approach set up for new product development
3.	Embed our working mechanisms for delivery through partners	Refine and deliver our working mechanisms to deliver quality assurance across our partners	Amber	A quality assurance system has been developed, awaiting pilot and rollout. A train the trainer approach with on-line and off-line curriculum is being piloted with partners in the University sector. The on-line Social Entrepreneurs Exchange platform has been developed and piloted.
		Move new ThankQ system onto the cloud, adding a web portal for our partners	Amber	ThankQ not yet able to support Cloud technology. Phase 2 of CRM development underway for completion August 2015

		Impact data and a new partner reporting function in place	Green	Impact data for Award Making in place. Over 100 Partner reports in production. Note that new KPI's for strategy will require different impact data to what was planned at this time.
4	Embed the new ways of working for Trustees	Effective Governance and Governance-SMT working	Green	Widely shared view that this has improved substantially. Compass Review will show results.
5	International	Establish our Global Social Entrepreneurship Network as a self-sustaining network	Amber	Highly valued by the 52 members in 50 countries. Financial viability to March 2016. Still needs a major long term funder.
6	Embed our new approaches for Young Social Entrepreneurs	Implement UnLtd's 2013 Young Social Entrepreneurs Strategy.	Green	NCS, SSS youth projects complete, JP Morgan and UBS on going.
		Secure external resources to ensure UK wide coverage of young social entrepreneurs	Green	£1.7m from Comic Relief & Spirit of 2012 for a UK wide programme. £366,000 from UBS and £448,000 from JP Morgan in East London. £575,000 for an England wide programme from Cabinet office for national citizenship service graduates £274,000 funds for work in schools in the Northeast and Northwest.
7	Policy, Demonstrating and Influencing	Embed our series of thematic demonstrating & influencing programmes alongside our work and strategic projects. Influence manifesto commitments for social entrepreneurs in lead up to 2015 Election	Green	Demonstrating and Influence fully integrated into the policy approach approved Summer 2014. Endorsement for social economy from all major parties and specific manifesto commitments taken up by minor parties. UnLtd well positioned for incoming government.
8	Implement the Investment Review Strategy	Ensure the new management and systems needed as a result of investment review strategy are fully in place	Green	The investment review strategy has now been implemented as far as possible given the income constraints.
	Deliver			
9	Awards - Direct	236 Try Its 400 Do It 33 Build Its 41 Fast Growth 30 BVC MAT: 45% EXT: 55%	Green	Targets met (apart from delay in launching Coutts, with £150k match)
10	Awards – to and through Partners	We do not currently set targets to our partners. No. of Partners: 170 MAT: 0% EXT: 100%	Amber	SSS youth programme delivered and Lead the Change Delays in implementing JP Morgan due to partner shortcomings Over-ambitious targets for NCS (contract shortened by Govt)
11	Scaling up programme: Big Venture Challenge and Wayra UnLtd	BVC II: select BVC 2014 cohort of 30, deliver support to scale. Wayra UnLtd : select cohorts 2 and 3, deliver services as agreed	Green	Achieved with cohorts all in place.

12	Working with social entrepreneurs in their communities	Work with 15 progressive communities in Big Local areas	Green	Work in the first intake intensive areas completed April 2015
13	Ecosystem development through developing effective supporters of social entrepreneurs	Build an effective ecosystem for social entrepreneurs sector by sector, including: Further/Higher Education Schools Community Regeneration Housing Authorities International Viral Networks	Green	A variety of ecosystem work underway, making good progress for one year of working, recognising there is more to do to create a truly effective ecosystem e.g. Do It for Real: 30 partners supporting young people and pilot training our Alumni as Awards Assessors. Sandwell Council to co-deliver support to social entrepreneurs. JP Morgan funding to enhance the support eco-system in Tower Hamlets. Star People with Big Local Trust working in local areas to develop partnership approaches for regeneration. Start Something Social, a training and support approach for schools Expanded pro-bono support for social entrepreneurs via corporate partners
14	Research and Evaluation	Deliver 10 evaluation reports, alongside research and internal evaluation of our products	Green	More than 10 evaluation reports delivered, over 150 reports produced for staff and partners, Compendium and new Impact Report published.
15	Finance, HR and resources	Deliver the Year Plan to agreed 2014/15 budget Ensure the organisation is fully supported to deliver and develop the strategy Full legal compliance has been achieved	Green	Budget approved Change process proceeding as planned Clean audit
16	Raising resources	Raising the resources required to deliver our core work and our developing strategy £3m pa in additional contracts		The additional income raised in the year was £2,686,184. A number of decisions for proposals submitted in the year are pending.
	Design			
17	Purposeful Award Making	Run up to 3 pilots which use Awards for focused results, generating new innovations and inspiring others, expanding the range of methodologies beyond open application	Green	UnLtd Care completes April 2015, Appetite for Change underway and Place Based methodologies investigated
18	Create a bigger pipeline of social entrepreneurs with high potential to scale	Design the training and skills needed across all delivery staff which equips them to develop the pipeline of ambitious social entrepreneurs.	Green	Significant numbers of Do Its becoming Build Its and these applying for higher level awards
19	More infrastructure and support for ambitious social entrepreneurs	Design the "BVC3" programme	Amber	"BVC3" now proposed into a larger proposition as a new trust.

		Gain more investment in the 'missing middle'	Green	149 new social angels. £5m BVC match likely to leverage in +£9m
20	Support to scale social entrepreneurs in the venture philanthropy space	Find a funding partner	Amber	Work in progress but finding a new funding partner for VP work is unlikely
21	Long term model and ownership of a knowhow and networks setup for social entrepreneurs	Develop and test the methodologies to mainstream support, including knowhow, accredited learning and online learning Find the business model for our knowledge and learning networks	Amber	• Learning by Doing accreditation • Apprenticeships • Train the Supporter • On-line knowledge exchange and content platform Our knowledge and learning networks are evolving as we learn what works, and likely to only be effective as a combination of different methods with individual business models working effectively together.
22	Building a successful and sustainable business model for us as the entrepreneurial change agent	Enhance our capacity for programme and product design	Green	A Head of Programme Development & Design has been recruited to strengthen capacity for development and design working closely with the operations and research and policy teams and looking at existing and future business models.
		Position UnLtd as 'entrepreneurial change agent' which can develop into a future business model	Amber	
23	Agree the core impacts that we are seeking in this role as change agent	Explore existing measures at population level and/or put in place mechanisms for understanding our impact as change agent	Green	GEM partnership established at UK and international level. RBS Enterprise Tracker and State of Social Enterprise providing further population data. Data for R&D approach still to be developed.
		Develop an R&D approach	Amber	A Research & Development group made up of functional heads was established in late 2014. This group are working on developing UnLtd's R&D approach creating stronger alignment across research, operations and development and design functions.
24	Organisation Development – meeting the future needs of our strategy's implementation	Design the organisation to achieve our new strategy	Amber	Major reforms to improve the working of the operational team. Further review of top team will follow on from strategy decisions in mid 2015.
		Retain and develop our staff talent and reduce large programme led turnover	Green	Last tranche of cyclical redundancies in March 2015. Associates now in place

25	Communications	New communications strategy signed off	Amber	Work on the new communications strategy is underway on internal communications.
		Reposition UnLtd in line with our strategy	Amber	Plans for an external communications strategy will come to the Board for sign off later in 2015.

b. **Significant activities**

UnLtd has pursued activities to further our mission and objects and to achieve identifiable benefits to the public.

Awards programmes

During the year, UnLtd deployed MAT resources to call for responses by social entrepreneurs to specific challenges faced by society. UnLtd Care addressed the challenge of loneliness and isolation faced by older people and Appetite for Change considered responses to food poverty.

UnLtd ran a number of programmes of Awards in specific theme areas, thanks to external funding received.

Our 2011-2015 Strategy prioritises backing people as social entrepreneurs in their communities, helping social entrepreneurs with high potential for growth to scale up their ventures, and helping to develop the social entrepreneur support sector. We were delighted to be successful in raising resources for all three priority areas during the year.

UnLtd is part of the 15 year £220m Big Local programme, funded by the Big Lottery Fund and led by the Local Trust.

UnLtd has developed the Star People Programme: ground breaking work, with Star People Award Managers identifying and supporting creative individuals with drive and passion who can create positive change in their local areas. Our team are assisted by partner organisations (Star Partners), together providing a really effective system of support for Award Winners.

UnLtd was successful in our bid to contribute to the second phase of the Big Local programme. From 2014/5, UnLtd has been working more intensively with 15 Big Local areas to ensure that social entrepreneurs and their networks contribute to the transformation of their place.

UnLtd was also supported by the Big Lottery Fund England to deliver the Big Venture Challenge as part of their People Powered Change theme. This programme supported 30 of the social entrepreneurs with the highest potential for rapid growth and major impact during 14/15, getting them ready for investment, helping them to win investment and assisting their development. The programme has been highly successful, and the Big Lottery Fund has generously supported one more year of this programme, set to help 40 more social entrepreneurs to scale their social impact.

More detail on these two ground-breaking programmes is provided below.

UnLtd has worked with a range of other external partners to develop innovative responses to support social entrepreneurs. Following on from a highly successful earlier scheme of Higher Education Social Entrepreneurship Awards funded by HEFCE, UnLtd has supported a third phase to work with clusters of HE institutions.

Santander has funded UnLtd to deliver 'Spark'. This is a national campaign with the aim of significantly expanding the availability of peer to peer support to social entrepreneurs. With a £500,000 investment from Santander, UnLtd aims to encourage a national movement of people who can pass on their own skills and experience gained from establishing a social venture.

Santander has also financed additional awards for social entrepreneurs to assist them to overcome obstacles to growth (Catalyst awards) and to support some social entrepreneurs to accelerate their growth (Fast Growth).

Following the end of Live UnLtd contracts in June 2014, our support for young social entrepreneurs has centred upon two short contracts with the Cabinet Office. Start Something Social sought school aged social entrepreneurs in two locations (Lancashire and Middlesborough) and UnLtd also supported National Citizenship Service Graduates to try out social action projects.

UnLtd is also working in specific locations, convinced that social entrepreneurs are capable of transforming their place. JP Morgan are supporting this work in Tower Hamlets, UBS in Hackney and UnLtd is pioneering this approach with council partners in Sandwell.

MAT Awards

The role of UnLtd Award Managers has continued to evolve during 2014/5. As well as supporting MAT Award Winners, they have assumed responsibility across the product range including Fast Growth awards. Award Managers are now responsible for a portfolio of Awards, including externally funded projects and work with partner organisations such as to support social entrepreneurs.

UnLtd Ventures

During the last year UnLtd Ventures provided awards, match-funding for investment and organisational support to help inspiring, ambitious social entrepreneurs to scale up their social ventures and, thus, the social impact that they deliver now and into the future. It also contributed to the ecosystem of support for social entrepreneurs more generally.

UnLtd Ventures delivered the Fast Growth programme, partly funded by MAT, offering business development and supporting grants to ventures that have the appetite and ability to grow but are not seeking investment.

The Ventures team also delivered the second year of three for the Big Venture Challenge (part 2), funded by Big Lottery Fund England.

UnLtd received a second year of funding from the Cabinet Office to create a specialist cohort of social ecosystem market makers within the Fast Growth programme.

Support provided by UnLtd Ventures from April 2014 – March 2015 included:

- Working with a total of 30 ventures, the 2014 cohort, as part of the Big Venture Challenge (part 2) helping them to scale and win investment.
- Programme work resulting in average trading incomes more than doubling from £73,000 to £177,000 (an increase of 144%), with the median increasing from £1,000 to £75,000.
- Programme work resulting in average staff size growing from 3.9 to 7.4 FTE staff, (an increase of 90%) with the median increasing from 3.2 to 6.2.
- Programme work resulting in average beneficiary numbers reduced slightly from 7,640 to 7,230 (-5%),1 while the median increased from 360 to 870 (note: the average is affected by large outliers, some of which reduced. The median was less affected).
- Programme work resulting in most of the cohort viewing BVC as having a significant role in the growth of the Venture, with 59% viewing BVC support as having 'some' or 'a significant' effect on existing or anticipated increases in scale.
- We helped 20 out of 30 of them to win investment which, along with our match, came to over £4,508,000. The total investment from external sources was £3,148,281 plus £1,360,000 match funding from UnLtd. £2,008,281 of the external investment was equity investments, with an average of £200,800 per deal. £1,140,000 was loan investments, with an average of £95,000 per deal
- Funded and supported 32 Fast Growth award winners to scale.

- Supported the second and third cohorts at Wayra UnLtd who have progressed. Worked on social mission locks with this group of ventures.
- Helped all cohort ventures to define and evidence their social outputs.
- The Ventures and Research teams worked together and uncovered, shared and published learnings, findings, successes, developments and thought-leadership pieces, supporting the ecosystem for social entrepreneurs.

  The Ventures team and Development team worked to win funding for 2015/16 from Santander and Coutts in support of the Fast Growth programme.

UnLtd Research and Policy

In 2014-15 we successfully implemented our monitoring and evaluation framework to to report and account for the non-financial activity of the organisation. We produced our quarterly portfolio of reports to enable the organisation to oversee and manage it's award making functions. We also developed a new set of information gathering tools to understand our wider ecosystem development work. This activity draws on a range of new research methods, including network analysis, events evaluation, and reflective learning practices. These approaches will underpin a future R&D approach for the organisation, supporting our move into working as an entrepreneurial change agent.

In May 2014 we launched our first ever evaluation microsite: www.change-the-world.unltd.org.uk, evidencing the activity and impact of the Live UnLtd programme. During 2014/15 this site won three design awards and reached over 250,000 people through social media. Throughout the year we also produced internal evaluation reports for our work with Fast Growth, Nesta, Wayra UnLtd as well as receiving evaluation reports for the Big Venture Challenge, SEE Change and Social Switch On from external contractors.

In November we continued the research Findings series, using learning from the Star People programme to look at how and in what ways social entrepreneurs' actions and behaviours affect the places they are operating in. This report was well received, especially by partners involved in the delivery of the Big Local programme. The same month we also published three reports examining the impact and development of our work with universities, drawing on evidence from the HEFCE programme. The reports can be found here: https://unltd.org.uk/2014/12/04/supporting-social-entrepreneurship-in-the-higher-education-sector/. In the new year the Research team lead on capturing learning from the Big Social, the world's first know-how exchange on supporting social entrepreneurs.

In March 2015 we also published our first Impact Report, showcasing the work of UnLtd and the impact of the social entrepreneurs we support. Within the first two months the report has been downloaded 442 times and made 40,183 Twitter impressions. Off the back of receiving the report, PA Consulting also offered £7,000 in pro-bono consulting time to explore how to measure social impact. This could be seen as a positive ROI for the campaign.

In 2014-15, we honed our policy approach and focused on three areas. On education and skills, we continued to push for sustainable support for social entrepreneurship to be embedded within higher education, for example through engagement with Lord Young's Enterprise Education Review. His report recognised "the rising movement toward social entrepreneurship among students and graduates, alongside the growth of social enterprise across the general business population", and UnLtd's role "at the forefront of this activity."

On enterprise and investment, we continued to promote better options for social entrepreneurs across the range of business forms, by sitting on the CIC Regulator's Technical Panel and chairing the Mission Alignment Working Group of the Social Impact Investment Taskforce established by the G8. In its Social Investment Market Update, Government recognised our evidence that "a growing number of social entrepreneurs are choosing for-profit legal forms for their social ventures" as a key market trend. On pathways into social entrepreneurship, we worked with the Federation of Small Businesses and a group of employers to develop the concept of an apprenticeship for entrepreneurs, and promoted this and other policy ideas to political parties independently and through the Social Economy Alliance in the run-up to the

2015 general election campaign.

Staffing

Over the past year, UnLtd has employed an average of 83 (full time equivalent) staff, compared to 89 (full time equivalent) in the previous year. All staff receive an on-going 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.

Outreach and Marketing

Communications underpinned the evolution of our strategy in 2013-14 as UnLtd continued to pioneer new ways to help social entrepreneurs start up and thrive. We built on a number of communications initiatives to 'support the supporters' of social entrepreneurs, producing a raft of engaging content for SEE Change, a bespoke platform for supporters of social entrepreneurs to share knowledge and learn from each other. We marked five years of work with Higher Education Institutions with a high profile event at the Mayor's office, bringing together a number of partners and advocates to share successes from this ambitious programme.

In January, we held our inaugural Big Social conference, a first of its kind event for the supporters of social entrepreneurs. The Big Social brought together over 100 people from different sectors, including universities and schools, grassroots community organisations and social enterprises, national and international businesses, local and national government. There was appetite among participants for the conference to return in 2016, with many signing up to co-design the next event and to work through some of the key take-aways from the day. The Big Social brand has since been licensed and replicated by partners, with the Big Social North West taking place in June 2015.

Throughout the year, the communications team supported the roll out of several new programmes, including the opening of Wayra UnLtd in November 2014, a startup incubator run in partnership with Telefonica in which social entrepreneurs work alongside their commercial counterparts. The launch was attended by Deputy Prime Minister Nick Clegg and covered by a number of tech and business media outlets, helping to raise the profile of social entrepreneurship within London's start-up community.

As we enter 2015/16, the communications team is poised to deliver on UnLtd's new strategy, to help social entrepreneurs move from the margins to the mainstream and enable ever greater numbers to start up and thrive. The coming year will see UnLtd look to embed communications into the heart of the organisation, helping us to better tell the stories of those we support: amazing people who are transforming the world in which they live.

c. Key Performance Indicators

Since 2013-14 UnLtd has used the KPI Dashboard, Table 01: a Board level report produced quarterly to provide an overview of the organization. This dashboard draws together the key indicators across UnLtd's Award making activities aligned with the 2010-15 strategy, our vision and our mission, as well as outlining our organisational health. A number of more detailed reports sit behind this dashboard, overseen by the Board Committees alongside the Senior Management Team. Please note this data is correct as at time of extracting report. Data will fluctuate from month to month as Awards are made, completed and withdrawn.

Table 01: UnLtd KPI Dashboard

			Ambition (2014/15)[1]			Achieved		
			Stretch	Met	Below	2012/13	2013/14	2014/15
Reach out and unleash the energies of people	a) Are we doing enough?							
	a1) We support more social entrepreneurs to start	awards	617	561	505	982	1619	1027
	a2) We support more social entrepreneurs to build and scale	awards	85	71	57	65	151	133
	a3) Proportion of Awards by Partners	%				25%	54%	48%
	b) Are we achieving our outcomes?							
	b1) SE's have more confidence to act for social benefit	% inc conf to act	94%	85%	77%	83%	84%	84%
	b2) Award Winner satisfaction with the progress of their social venture					62%	70%	74%
	c) Are we doing it well?							
	c1) Direct Delivery Award Winner High Satisfaction	% "good or excellent"	94%	85%	77%	81%	82%	80%
	c2) Partnership Performance Award Winner Satisfaction	% "good or excellent"	94%	85%	77%	-	89%	79%

To transform the world in which they live	d) What's the long term impact? i.e. the outcomes created by our AW's					
	d1) Social Impact: Beneficiaries	med; mean	-	40 | 258	40 | 1,631	45 | 1,786
	d2) Economic impact: total jobs	total	-	55	797	774
	d3) Impact Positive Social Capital	% Create	-	95%	95%	95%
	d4) Impact Social Innovation	% Create	-	-	51%	59%
	d5) Raised aspiration in disadvantaged communities (proxy AW's from d.c)	% of total	-	35%	34%	32%
	e) The environment in which social entrepreneurs can thrive					
		N				
		% Growth	-	-	32%	-

			Acceptable Range	2012/13	2013/14	2014/15
Organisational Health	f) Financials					
	f1) MAT vs External income	% MAT	under 60%	32%	27%	38%
	f2) Income Reserves: no of month of MAT expenditure	Months		15.5	17.65	19.71

[1] Awards targets refer to only direct awards

f3) Unrestricted Reserves no of weeks of non-MAT expenditure	weeks	12 weeks	10.25	7.8	7.73
f4) Endowment Valuation as proportion of Real Value	%	Between 75% and 100%	89%	89%	91%
g) Income Generation and Development					
g1) Income secured Diversity of external funding	% largest three funders	below 75%	81%	90%	72%
g2) MAT Match Funding	% MAT Match		16%	13%	8%
g3) Overhead Recovery Rate	% Overhead Recovery		11%	9%	9%
h) Human Resources					
h1) Turnover (Permanent staff only)	%		32%	19%	20%
h2) Proportion of Permanent staff of total Headcount	%		49%	51%	63%
h3) Energy Index	Index		69	76	n/a

Every quarter we produce the Activity and Impact Report which feeds into the KPI Dashboard, providing greater detail on the Award making activity of UnLtd and our Partners. This report is overseen by The Awards Committee and the Director of Operations, enabling them to develop and drive Award making policy, as well as oversee the quality of Award making, outcomes and impact.

Table 02 provides a top level extract of this report.

Table 02: Extract from UnLtd Activity and Impact Report 2014-15

	UnLtd Award Making	
Scale	1 April 2013 to 31 March 2014 (Target)	1 April 2014 to 31 March 2015
Awards made	787 (632)	580
Scale It Cohort [i]	29 (30)	29
Value of Awards	£2,986,702	£2,768,281
Average Award Size	£3,795	£4,773
New Expressions of Interest (EOIs) received	2,348	2,696
New full applications received	1,368	1,243
Awards made by UnLtd Partners	954	551
Operational effectiveness	1 April 2013 to 31 March 2014	1 April 2014 to 31 March 2015
% EOIs invited to submit full application [ii]	26%	46%
% Applications successful	64%	58%
% Applications Rejected at Desk Assessment	32%	38%
Withdrawal Rate	27%	24%
Av. Application processing time	71 days	40 days
Reach	1 April 2013 to 31 March 2014 (National Statistics)	1 April 2014 to 31 March 2015
% Female	52% (51%)	56%
% BME	25% (13%)	22%
Not having a % Degree or above	52% (73%)	40%
% Unemployed	10% (4%)	6%
Spread: % Reach across areas	72%	63%
% Most deprived areas	34%	32%
Quality	1 April 2013 to 31 March 2014	1 April 2014 to 31 March 2015
% Satisfied with 1 1 support	82%	80%
% Learning from others	70%	70%
% Networks improved	77%	78%
Outcomes - personal journey	1 April 2013 to 31 March 2014	1 April 2014 to 31 March 2015
% More able to create social change as a result of the award	83%	86%
% Feel more confident to act for social benefit	84%	84%
% Develop skill	75%	75%
Outcomes - social venture journey	1 April 2013 to 31 March 2014	1 April 2014 to 31 March 2015
% Satisfied with Social venture Progress	70%	74%
Ratio UnLtd External Investment	£1.00, £1.99	£1.00; £2.27
% Running after 24 months	81%	69% [ii]
Impact	1 April 2013 to 31 March 2014	1 April 2014 to 31 March 2015
Av Beneficiaries (Median, Mean)	40 1,631	45 1,786
Av Volunteering opps (Median, Mean)	6 16	5 17

[i] 'Scale it cohort' includes only Big Venture Challenge Award Winners. In the period April 2014-March 2015 this is 29 Award Winners, in the period April 2013-March 2014 this was 29 Award Winners.
[ii] Expressions of Interest were introduced on 23rd October 2012. EOIs are not used for Big Venture Challenge or Santander SEDA Accelerate to Scale Catalyst Award Applications
[ii] The drop reflects the increase in Try Its and reduced Build Its in survey sample data.

Av. jobs per social venture (Median, Mean)	1;5	4;6
Average turnover (Median, Mean)	£5,590;£108,876	£9,723;£59,760
% Create social capital	95%	95%
% Support other SEs	84%	87%

Alongside the indicators produced for the Activity and Impact Report we measure and report on a substantial portfolio of metrics to enable us to research and evaluate our activities. This data is used to inform the day to day work of Award Manager and Partners, report back to our funders and investigate specific trends and policy issues for social entrepreneurs.

Table 03 provides an extract of data, detailing a number of indicators specifically set out by the Reporting Directions by the Millennium Commission (2002).

Table 03: Additional Indicators as per Reporting Directions by Millennium Commission (2002)

	UnLtd Award Making (direct only via MAT and external funds) [1]	
Category of Project (not Live Awards, multiple choice)	1 April 2013 to 31 March 2014	1 April 2014 to 31 March 2015
Children/Young People	14%	18%
Community Cohesion	27%	16%
Disabled People	5%	5%
Education	12%	15%
Environment	6%	2%
Ex-offenders	2%	0%
Health	8%	7%
Lone Parents	3%	-
Mental Health	6%	6%
Older People	6%	5%
Other	1%	24%
Refugee/Asylum Seeker	1%	0%
Science	1%	-
Sport	2%	-
The Arts	5%	1%
Award Type	1 April 2013 to 31 March 2014	1 April 2014 to 31 March 2015
Try It	27%	29%
Do It	62%	53%
Build It	6%	9%
Fast Growth	3%	5%
Big Social venture Challenge	2%	5%
Award Progress	1 April 2013 to 31 March 2014	1 April 2014 to 31 March 2015
% of Awards Try It from prior Awards	2%	1%
% of Awards Do It from prior Awards	7%	23%
% of Awards Build It from prior Awards	52%	60%

[1] In 2014/15, we updated the categories used in our application form to be compatible with IRIS, an international standard in social impact metrics. This means we have discontinued many of the categories used here, and in 2015/16 will report data from both years using the new list of categories.

% of Awards Fast Growth from prior Awards	28%	40%
% of Awards Scaling from prior Awards	22%	48%
% of Awards Spark from prior Awards	15%	32%
Award Winners	1 April 2013 to 31 March 2014	1 April 2014 to 31 March 2015
% Female	52%	56%
% BME	25%	22%
% Disability	8%	9%
Spread: % Reach across areas	72%	63%
Under 16	8%	2%
16-17	6%	9%
18-24	19%	6%
25-34	20%	24%
35-49	27%	31%
50-64	15%	13%
65+	2%	2%
Undisclosed	2%	14%
Unsuccessful Applicants	1 April 2013 to 31 March 2014	1 April 2014 to 31 March 2015
% Female	42%	61%
% BME	31%	27%
% Disability	8%	10%
Spread: % Reach across areas	61%	49%
Under 16	2%	0%
16-17	5%	1%
18-24	21%	6%
25-34	18%	25%
35-49	30%	36%
50-64	16%	18%
65+	2%	1%
Undisclosed	4%	12%
Grant Processing *	1 April 2013 to 31 March 2014	1 April 2014 to 31 March 2015
Grant commitment as % Grant available (in total)	102%	106%
Cost per application	£1,057	£1,779
Number of Frauds or Suspected Frauds	0	0

Key differences between 2014 and 2015 explained

Award figures

Since the last annual accounts were submitted, there have been a number of withdrawals updated on our systems, as well as the addition of new data about Awards made by partners. This means the 2012/13 and 2013/14 have been updated.

Note – all indicators have been calculated on the same basis for comparability across years.

The following areas of this paper are affected:

Table 01

- Indicator a1
- Indicator a2

Table 02

The following sections have been affected:

- Operational effectiveness
- Reach

Survey data

In 2014/15 we reviewed and improved our survey process, with key changes including:

- streamlining our survey suite, so that all Award Winners – direct and indirect, Try It to Big Venture Challenge – were sent either a six month or 12 month end of award survey
- systematically surveying Award Winners 12 months after their award ended, and following up with them annually.

This has added new data which is being reported on for the first time in the 2014/15 annual accounts.

In winter 2014 Deloitte audited UnLtd's non-financial data, providing a number of recommendations for improvements. As a result, UnLtd has implemented changes to data analysis and reporting since the last annual accounts were submitted to the Board.

Finally we have reviewed the methodological approaches used for calculating results for both the Activity and Impact report and the KPI dashboard to ensure they are aligned. Key changes have included:

- No longer including survey responses from respondents whose Award cannot be identified
- Using the date the survey was completed to assign financial year, rather than the projected end date of the award (i.e. 12 months after date approved).
- Excluding non-responses to questions in the calculation of percentages (e.g. people who completed the survey but chose not to answer a particular question).

These changes came into effect after the 2014 annual accounts were submitted. They have been applied to calculations across all years in this report.

The combination of these changes to our survey data means the following areas of this paper are affected in comparison to the 2014 annual accounts:

Table 01

- Indicator b1
- Indicators c1 - c2
- Indicators d1 – d4

Table 02

- % Satisfied with 1:1 support
- % Learning from others

Financial data

The financial figure for 2013/14 against indicator f2 in Table 01 (Income Reserves: no of month of MAT expenditure) has been updated.

Notes on unreported items

The following three items are not reported because:

- % of individual Award Winners complete Awards: UnLtd has moved away from a one year project model.
- % of individual Award Winners complete Awards on time: Whilst UnLtd states that awards will be generally completed within one year this is not a rigid benchmark and Award Winners are moving away from a 'project' model
- % 'satisfaction' rating among unsuccessful applicants: satisfaction rating is currently recorded at end of Award.

d. Financial review

Fundraising performance

The overall external restricted income has decreased by 11.1 % to £7.8M. This decrease was mainly the result of the ending of the Live (youth) programme.

Investment performance

At 31 March 2015 the Real Value of the Endowment was £136.0 million against a total market value of the investments of £133.6 million of which £10.1 million is being held in income reserves. Within the income reserves, after netting off all creditors, the free reserves stood at £3.4M.

The performances of the different components within the investment portfolio were measured against respective benchmarks whereas the overall portfolio performance was measured against rate of inflation (in line with the Trust Deed). The overall portfolio return for the year was 7.08% (6.43% in 2014), above the increase in CPI of 1.05%.

Factors affecting performance

Government departments, charities and businesses are becoming ever more aware of the value and potential of social entrepreneurs. This continues to create a more favourable environment for UnLtd to operate, and also to raise funds.

This growing interest has led to an increase in the number of agencies providing support to social entrepreneurs. This helps our mission, but can be challenging in competition for funds. Many of our new programmes are constructed on a partnership basis.

Investment market conditions continued to improve somewhat during the year but the endowment value still remains below its Real Value adjusted for inflation. The level of funds which could be sustainably drawn is lower in real terms than in earlier years. Fortunately, our external fundraising was successful once again in the year and this has allowed an adequate budget to be set for 2015/16 overall.

Changes to staffing including the ending of some major programmes and start of new ones, have taken out some time and capacity during the year. However UnLtd has been able to attract excellent new staff to the team, and the developments in our structure and culture are proving their worth. Staff coped with many changes during the year as the pace of innovation in our work increased, and they continued to improve performance and outcomes.

Considerable success was achieved during the year in finding and supporting excellent social entrepreneurs and support partners from all backgrounds and regions. The skills and dedication of our staff and partners, and the talent of new social entrepreneurs, are the greatest factors contributing to our performance.

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 2013. 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 2014/15, 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 2015, the group has net current liiabilities of £1.1M and reserves of £9.2M (excluding the endowmwnt).

Any funds in deficit

No fund deficit to report.

e. Plans for future periods

Performance achieved against strategy

In the last year, UnLtd completed a 5 year strategy. In 2015, the Trustees and staff have been developing a fresh and more agile strategy for the future.

Strategic plan 2010 - 2015

UnLtd developed a strategy agreed in autumn 2010 which covers the period 2010 to 2015. It was based on the success of the core model, supporting social entrepreneurs to start up and scale up, and on our best analysis of the environment and our capacities. The strategy was refreshed in September 2013 in the light of progress to date and changes in the sector.

The 5 year strategy was based on the belief that social entrepreneurship as an approach was beginning to move on from initial experimentation and growth to becoming a more rounded ecology of support. We believed the right role for UnLtd as the foundation in this field in the UK was to help create and build that ecology of support, making it easier for more social entrepreneurs to find the help and environment they need to start and thrive. Our key role is to be the entrepreneurial change agent in this rapidly developing sector.

We will continued to support social entrepreneurs directly, but increasingly also in partnership with other agencies to lever up the scale and accessibility of the support on offer.

*We focused on **three strategic approaches** over the 5 years:*

1. Backing people as social entrepreneurs in their **communities**
2. Prioritise ways to help social entrepreneurs with high potential for growth to **scale up**
3. Acting as **entrepreneurial change agent for social entrepreneurs**, developing the environment for them to start well and thrive

*We expected to work on these approaches through **five main developments in our methods:***

1. Using our core awards in a more purposeful way and increase focus on helping social entrepreneurs **start up better**
2. Long term model and ownership of a **knowhow and networks** setup for social entrepreneurs
3. Improving and sharing our **knowledge** of what works in supporting social entrepreneurs, through **innovation**, piloting, research and development
4. Building a successful and **sustainable business model** for us as the entrepreneurial change agent
5. Focusing our fundraising and **development activity** on these strategic priorities, retaining agility for opportunities that lead towards our goal

*We needed to build the **capacity and culture** of UnLtd to achieve this strategy:*

1. Building a **brand** which is known by people who want to start a social venture
2. Ensuring all our work is **informed** by the experiences and journeys of social entrepreneurs
3. Continuing to **find, support and fund** early stage social entrepreneurs
4. Building an **infrastructure** capable of supporting the scale of opportunity offered by social entrepreneurs
5. Agree the core **impacts** that we are seeking in the role as entrepreneurial change agent
6. Developing our **staff and organisation** to manage growth and support the move from delivery to change agent

Beliefs

1. We believe in individuals who have the potential to make positive change in the world
2. We believe in the value of social entrepreneurs across the spectrum, from local to world changing
3. We put people at the heart of what we do, backing people first, projects second
4. We support people's ideas & passions
5. We reach out and find people who can tackle the key issues facing society
6. We know that communities which face problems contain the people who will create the solutions
7. We minimise bureaucracy and maximise opportunity, trusting judgement, backing hunches
8. If there is a question about what is best, we act and learn from the results

UnLtd values diversity and respects others for their contribution, whatever their background, ethnicity or beliefs, and we challenge unfair discrimination. We act with integrity and openness and encourage learning, cooperation and understanding.

Our **mission** is to reach out and unleash the energies of people who can transform the world in which they live: people who we call social entrepreneurs. We work for a world where people act to make it better.

The outcomes we sought to achieve

Our Impact	A world in which people act to make it better
Our direct outcomes: *We reach out and unleash the energies....*	• People who have strong potential to deliver social value, now have more skills and confidence to act for social benefit • There is an environment in which social entrepreneurs can thrive • Larger numbers of social entrepreneurs get help to start up, and to scale up
...of people who can transform the world in which they live	• Creating social capital • Creating social impact
Our indirect outcomes: *...often also:*	• Creating economic impact • Creating social innovation • Raising aspiration in disadvantaged communities

Performance on the strategic approaches in the 2010-2015 strategy

*We focused on **three strategic approaches** over the past 5 years:*	
Backing people as social entrepreneurs in their **communities**	• UnLtd is a core partner in the 15 year Big Local Trust initiative for the 150 most disadvantaged areas in England • Market tests were developed through Higher and Further Education, schools, National Citizens Service, other youth initiatives, community organisations, social housing agencies and local authorities • Work in Higher Education, with young people, and through community organisations, has been particularly successful in backing people in their communities • UnLtd has a strong focus in our development work on getting social entrepreneur support at local level
Prioritise ways to help social entrepreneurs with high potential for growth to **scale up**	• The Big Venture Challenge was designed, funded, delivered and improved with acclaim and increasingly outstanding results

	• Wayra UnLtd is our first sectoral social incubator and achieved sector-leading results • Our Fast Growth awards have been highly successful and the programme has been expanded, and a major new growth oriented initiative has been supported by Santander • Pilots to test the effectiveness of thematic programmes in our core Do It and Build It Awards have been successful, with learning which will improve the model further in the future
Acting as **entrepreneurial change agent for social entrepreneurs**, developing the environment for them to start well and thrive	• Ecosystem developments are underway within the 150 disadvantaged communities and 70 universities. Pilots were conducted with 29 FE colleges, cohorts of schools and youth groups, and social venture incubators/angel investors • Over 300 micro experiments were conducted to test a more viral peer to peer approach; this model will be redesigned in line with learning from the pilots into a full market test • A data commons is being introduced across all our partners, in the UK and internationally, with over 100 partners now producing the data • Our online learning platform is in market test with the education sector, and new developments are underway for online and accredited learning • Our policy work on social purpose businesses advanced strongly through the Social Impact Investment Taskforce created by the G8, and our work on getting social entrepreneurial experience into mainstream education is developing with cross party interest

Strategy from 2015 onwards

Social entrepreneurship is gaining large scale interest. The latest RBS Enterprise Tracker reports 23% of those who want to start a business state they would choose to start a social enterprise. Alongside public interest a growing number of supporters are providing finance, expertise, networks and advice to social entrepreneurs. These supporters come from all corners of society: across the public and private sector; from national to street level. Social finance has blossomed and investors are becoming increasing diverse, with Social Investment Finance Intermediaries being joined by angel investors and the public through crowd funding.

It is a good time for social entrepreneurs; however, challenges remain. Their role and scope is still contested. It is often confusing for a social entrepreneur to find help, to know who will fund what, and whether they will provide the right kind of support for them.

Creating sustainable social change is proving difficult. The persistent issue of finding the right 'routes to market' remains. Social entrepreneurs need to be known, understood by their buyers, and trusted to deliver.

UnLtd is in a privileged position of overseeing a substantial endowment for the purpose of supporting social entrepreneurs. We have a responsibility to ensure we maximise the impact of these resources for social entrepreneurs, in line with their evolving needs.

In 2013 we recognised the ecosystem of support for social entrepreneurship was changing dramatically. To maximise the impact we could make in this changing context, we took the strategic decision to develop our role as an 'entrepreneurial change agent'. By continuing to act as an 'entrepreneurial change agent'

we pro-actively seek solutions to the problems social entrepreneurs face in the most effective way.

Turning to the coming years, we know we must remain agile to enable social entrepreneurs to achieve their goals.

As we consider our new strategy, it is important that we keep social entrepreneurs' current and future needs at the forefront of our minds. We worked with a large group of social entrepreneurs to find out what their vision for social entrepreneurs was for 2020. They were ambitious to tackle the big problems in society. They said they wanted to ***be valued and well integrated in society, becoming a powerful force for effective social change.***

They felt social entrepreneurs should have easy access to the right people, skills and tools they needed throughout their journey. They wanted to see more and better quality support available and easier access to the right types of finance for their stage of development. They wanted it to be easier to access the right markets to sell their products and services, with buyers trusting their product and services and valuing the social impact they create.

We have **three strategic hunches** about what we should focus on to help social entrepreneurs to achieve their ambition to be an integrated part of society where their social impact is valued;

- To support social entrepreneurs to start better and thrive, we must use our resources and direct experience to learn, share and innovate on what works.
- To ensure large numbers of social entrepreneurs get the help they need, we must engage networks of social entrepreneurs and their supporters, embedding and improving support.
- To enable social entrepreneurs to deliver impressive results we must help find new ways to deepen and broaden their impact.

We are now developing the working models to deliver on these hunches. We expect to work through five channels to deliver the depth, breadth and scale of social entrepreneurship which we seek for the future:

- Continuing direct Awards of cash and support to social entrepreneurs
- Building a community of action, providing network based support to much larger numbers of social entrepreneurs
- Working with partners such as universities, community organisations, and local authorities, to help them support social entrepreneurs in their "constituencies"
- Creating assets which can be used by other organisations to support social entrepreneurs, for example through educational tools
- Influencing the operating environment for social entrepreneurs, to make it easier to start up and thrive

In addition, we will

- Tackle the barriers to scale for social entrepreneurs who have ambition and capability to achieve major social impact.
- Research and evaluate what works in supporting social entrepreneurs, working in shared learning networks so that the sector as a whole can continue to improve.

We know that a small agency like ours pushing a big change requires exceptional agility, responding to opportunities strategically and shifting our approach in order to achieve our goal. Our hunches suggest we will need to pursue a number of activities, and there is considerable uncertainty about which of these will bear the most fruit. Where necessary, we will conduct experiments and market tests to ascertain the innovations which work.

Objectives for coming year

UnLtd is in a transition year from the 2010-2015 strategy to the new strategic plan described above.

We are working towards a future where social entrepreneurs can start better and thrive, where large numbers of social entrepreneurs get the help they need, and where they can find new ways to deepen and broaden their impact. Our direct support work is therefore accompanied by partnerships and sector development, developing the best quality support, amplifying the impact building a sustainable ecosystem of support from start up to major impact.

In this context, our objectives for the coming year are set out below. They are listed in three categories: Embed, for work already in progress; Fulfilling the 2010/15 Strategy, Developing our Resources and Infrastructure, and Developing our Emerging Strategy.

Year Plan 2015/16 Stage One		
	Priority	**Objective/Activities**
	Fulfilling the 2010-15 Strategy	
1	Delivering high quality programmes of support/Awards to social entrepreneurs - Starting Better - Scaling	MAT Do It, Build It, and Fast Growth Awards Santander Spark, Catalyst and Fast Growth Awards Coutts Do It, Build It, and Fast Growth Awards Big Venture Challenge 2 Awards Wayra UnLtd Cohort
2	Delivering high quality programmes of support/Awards via partners	UBS Hackney Do It and Build It Awards JP Morgan Tower HamletsTry It and Do It Awards Sandwell BC Lead the Change Star People Try It, Do It and Fast Growth Awards with the Big Local Trust Do It for Real Try It and Do It Awards for young social entrepreneurs SEE Change Higher Education Social Entrepreneur support
3	Role of social entrepreneurs in transforming places	Cross-organisation/ team practice of support for SEs transforming places – paper for decision by SMT
4	Delivering purposeful award making	Deliver existing purposeful Awards: Appetite for Change Support 17 existing Award Winners Argyll and Bute (£50k) Sustain (in development)
5	Developing Ecosystem of Support for Social Entrepreneurs	Develop ecosystems of support at the local, national and international levels, with institutions and individuals. Test new methodologies for: • Ecosystem development • Community & Alumni Engagement • Membership models • Train The Supporter, • Cluster and Innovation Partnership models • Partner quality assurance
6	Delivering quality research for social entrepreneurship and evaluation for our work	14 Evaluation Report to funders on our external programmes Findings and Spotlight series Impact Report
7	Delivering our Policy and Influencing Approach	Positioning UnLtd before and after the election Refresh our Policy Approach for 2015-16

	Developing our Resources and Infrastructure	
8	Developing staff Introducing Trainees Introducing Associates	Implement professional coaching and project management training Design and deliver a pilot 18 month Trainee Award Manager programme by April 2015 Recruit and train first intake of UnLtd Associates
9	UnLtd's work in the devolved jurisdictions	N.Ireland – secure delivery partner for Do It for Real Scotland –implement new arrangements
		Deliver the Wales Strategy
10	Reviewing our Communications	New communications strategy signed off Develop team, and communications quality Communicate the Strategy
11	Developing our CRM systems	Progress second stage of CRM development to fully automate Awards process Rollout of events and contact management modules and associated organisation wide training Prototype a new partner data system
12	Delivering fit for purpose performance reporting	Perform a performance reporting interim review
13	Finance, HR and Resourcing	Budget for 2015/16 Resource allocation to support new strategy Full legal compliance has been achieved
14	Embedding new investment strategy	Complete the transition into new investment strategy Tactical movements within asset classes in response to market development
15	Raising resources	Raising the resources required to deliver our core work and our developing strategy £3m pa in additional contracts Secure resources for "BVC3" Secure new Fast Growth funding partners
16	Complete and fully embed the new governance model	Finalise new Committees Conduct second Board & SMT performance survey Continue Trustee reviews
17	Recruit two exceptional Trustees	With skills on: Operationalising strategy Strategic positioning, brands and comms
	Developing our Emerging Strategy (Immediate Priorities)	
18	Finalise our new Strategy	Refine and finalise our new forward looking strategy
19	Executive Team review	Review the roles and strengths of the Exec Team and if appropriate redesign the team to best deliver the new strategy
20	Strategy Implementation and Transition planning	Develop the transition and implementation approach for each major plank of the new strategy Deliver the year 1 priorities
21	New business development in line with new strategy	Business development priorities, work models/methodologies and fundraising for new strategy
22	Exploring Revenue Models for future sustainability	Exploring sustainable revenue streams against different areas of our strategy and specific products & services
23	Embedding the Research and Development Approach	Effective design of new and iteration of existing support programmes for social entrepreneurs and their supporters

f. 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 in 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

Partnership working

During 2014/15 a key strategic aim was to help develop the ecosystem of support for social entrepreneurs. In order to do this, we committed to develop partnerships, and assist other agencies, to deliver high quality and effective support to social entrepreneurs. Our delivery partner network has grown substantially, and now includes 170 organisations from the public, private and not for profit sectors, including UnLtd Award winners. We have identified risks in pre and post partner selection:

Pre selection risks

- We fail to pick the right partners through our selection process, and or we don't reach out to enough partners

Post selection risks

- We don't monitor partners beyond first stage (direct contact).
- We fail to develop effective KPIs to monitor performance and/or other information tools for support.

Awards schemes

UnLtd seeks social entrepreneurs who are going to achieve the maximum social impact in their work. Some of their ventures will be experimental and particularly innovative. We encourage our Award Managers recognise the inherent risk in working with such individuals but to manage this through the provision of appropriate support.

Strategic models

Our new role as entrepreneurial change agent takes us into new ground, including joint ventures such as the Wayra UnLtd digital technology incubator. There is a possibility that we do not fully understand the risks inherent in joint ventures, for example on governance, ambition, risk appetite, control and reputation. Our approach is to conduct relevant due diligence, complete clear joint venture agreements, take a Board position to gain insight and influence, and also to accept a level of risk in line with our ambition as entrepreneurial change agent and in view of the potential benefits to our mission.

Governance risks

A Special Resolution was passed in 2013 to change our Articles and transition away from the membership comprising Founder Members towards a more contemporary approach where Trustees and Members are one and the same. This process has now been completed. The re-appointment of the Protector has alaso been agreed. These have signifiucantly reduced the governance risk.

We expect further change through retirement of long serving Trustees and appointment of new Trustees. Our risk appetite in this area is low. This process is being managed by the Nominations, Remuneration and Governance Committee. Trustee and senior staff views were surveyed in 2015 by an expert consultant to provide insight into development priorities.

The role of the Protector of the Millennium Awards Trust is an important one, and we ensure that the Protector is well informed about our strategy and major developments in our work, consulting his view where appropriate as set out in the Trust Deed.

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 2013 Review reflect 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.

Approved by the Trustees on 16 September 2015 and signed on their behalf by



Trustee
Ruth Dobson

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

We have audited the financial statements of The Foundation For Social Entrepreneurs (UnLtd) for the year ended 31 March 2015 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

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 2015, 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual report, which includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

BDO LLP

Andrew Stickland, Senior Statutory Auditor
for and on behalf of BDO LLP, Statutory Auditor
London
United Kingdom
Date: 21 September 2015

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

THE FOUNDATION FOR SOCIAL ENTREPRENEURS (UnLtd)
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(incorporating an income and expenditure account)
FOR THE YEAR ENDED 31 MARCH 2015

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2015 £	Restated Total 2014 £
Incoming resources						
Voluntary income	2	1,646	7,825,018	-	7,826,664	8,836,541
Investment income	3	4,897,633	-	-	4,897,633	3,986,557
Income from charitable activities	20	-	-	-	-	190,000
Less share of joint venture income	20	-	-	-	-	(190,000)
Income from trading activities	4	130,282	-	-	130,282	33,738
Total incoming resources		5,029,561	7,825,018	-	12,854,579	12,856,836
Resources expended						
Cost of generating funds	21	-	-	886,707	886,707	813,505
Trading activities in subsidiaries	4	26,032	-	-	26,032	14,998
Charitable expenditure:						
Grants payable	5	2,612,560	3,454,438	-	6,066,998	5,679,491
Costs of support to Awardees	6	2,718,784	4,409,343	-	7,128,127	6,046,890
Governance	7	182,376	2,400	-	184,776	178,637
Total resources expended		5,539,752	7,866,181	886,707	14,292,640	12,733,521
Net incoming/(outgoing) resources before other recognised gains and losses		**(510,191)**	**(41,163)**	**(886,707)**	**(1,438,061)**	**123,315**
Other recognised gains and losses:						
Gains/(Losses) on investments		100,353	-	4,993,137	5,093,490	4,842,387
Gains on disposal of join venture		-	218,479	-	218,479	(218,479)
Transfer between funds		1,399,461	(742,766)	(656,695)	-	-
Net movement in funds		**989,623**	**(565,450)**	**3,449,735**	**3,873,908**	**4,747,223**
Balance at 1st April		3,588,215	5,182,307	120,050,277	128,820,799	124,073,576
Balance at **31st March**		**4,577,838**	**4,616,857**	**123,500,012**	**132,694,707**	**128,820,799**

All amounts derive from continuing activities.

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

The accompanying notes on pages 52 to 62 form part of these financial statements.

THE FOUNDATION FOR SOCIAL ENTREPRENEURS (UnLtd)
BALANCE SHEETS
AT 31 MARCH 2015

Company number: 4180639

	Notes	2015 UnLtd £	2015 Group £	2014 UnLtd £	2014 Group £
Fixed assets					
Tangible assets	8	22	865,022	12,213	882,211
Investments	9	-	133,649,951	-	128,286,595
Share of joint venture gross assets	20	-	-	-	397,156
Share of joint venture gross liabilities	20	-	-	-	(615,634)
		22	134,514,973	12,213	128,950,328
Current assets					
Debtors	10	5,793,928	1,655,703	4,317,195	987,585
Cash at bank and in hand		514,426	1,324,474	2,632,814	3,066,991
		6,308,354	2,980,177	6,950,009	4,054,576
Creditors: amounts falling due within one year	11	522,393	4,038,590	590,474	3,330,662
Net current assets/(liabilities)		5,785,961	(1,058,413)	6,359,535	723,914
Total assets less current liabilities		5,785,983	133,456,560	6,371,748	129,674,242
Creditors: amounts falling due after more than one year	12	-	761,853	-	853,443
Total net assets		5,785,983	132,694,707	6,371,748	128,820,799
Funds					
Endowment	13	-	123,500,012	-	120,050,277
Restricted funds		4,616,857	4,616,857	5,400,756	5,182,307
Unrestricted funds		1,169,126	4,577,838	970,962	3,588,215
		5,785,983	132,694,707	6,371,748	128,820,799

The accompanying notes on pages 52 to 62 form part of these financial statements.

Approved by the Trustees, authorised for issue on 16 September 2015 and signed on their behalf by:



Trustee
Ruth Dobson

THE FOUNDATION FOR SOCIAL ENTREPRENEURS (UnLtd)
CONSOLIDATED CASHFLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2015

	2015 £	2014 £
Cash inflow/(outflow) from operating activities		
Net incoming/(outgoing) resources	(1,438,061)	123,315
Investment income earned	(4,897,633)	(3,986,557)
Loan interest charges	12,184	13,394
Depreciation of tangible fixed assets	17,189	17,189
(Increase)/decrease in debtors	(668,118)	(122,751)
Increase/(decrease) in creditors	706,702	696,616
Net cash (outflow) from operating activities	(6,267,737)	(3,258,794)
Returns on investments and servicing of finance		
Investment income received	4,897,633	3,986,557
Interest paid	(12,184)	(13,394)
	4,885,449	3,973,163
Capital expenditure and financial investment		
Payments to acquire tangible fixed assets	-	-
Net (payments)/receipts - fixed asset investments	(269,867)	970,767
	(269,867)	970,767
Net cash inflow/(outflow) before financing	(1,652,155)	1,685,136
Financing		
Loan repayments	(90,363)	(89,150)
Increase/(decrease) in cash in the year	(1,742,517)	1,595,986

Analysis of changes in net funds

	At 31 March 2014 £	Cashflow £	At 31 March 2015 £
Cash at bank and in hand (including short term deposits)	3,066,991	(1,742,517)	1,324,474
Loan	(943,805)	90,363	(853,442)
	2,123,186	(1,652,155)	471,032

1 PRINCIPAL ACCOUNTING POLICIES

The financial statements of the charitable group have been prepared in accordance with accounting standards and the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005). These financial statements are drawn up on the historical cost accounting basis except that investment assets are carried at market value.

Group accounts

These financial statements consolidate the results of the Millennium Awards Trust, FSE Management Services Limited (company limited by guarantee) and UnLtd Scotland 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.

No separate Statement of Financial Activities (SOFA) has been presented for the charity as permitted by section 408 of the Companies Act 2006 and section 397 of SORP 2005.

Fund accounting

Unrestricted funds comprise those funds, which the Trustees are free to use in accordance with the charitable objects.

Restricted funds are funds, which have been given for particular purposes and projects. Restricted funds must be used in accordance with the funders' or donors' wishes.

Incoming resources

All incoming resouces, including grants, are included in the Statement of Financial Activities when UnLtd is legally entitled to the funding and the amount can be quantified with reasonable certainty.

Investment income earned from the endowment fund is recognised as unrestricted income for the Trust.

Investment income in included in the Financial Statement when the Trust is entitled to receipt and the amount can be measured with reasonable certainty.

Resources expended

Expenditure is included on an accruals basis.

Grants payable

Grants payable are accounted for in full as liabilities when approved by the Trustees because the beneficiary would have a valid expectation that they would receive the grant as offered and accepted. Grants are paid in instalments. The first instalment is payable upon signing of the funding agreement and subsequent instalments are subject to satisfactory financial review.

Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised. Land is not depreciated. Depreciation is provided to write off assets on a straight-line basis over their estimated useful economic life:

Buildings	25 years
Computers	3 years
Furniture	4 years

Investments

Investments are included at their mid market value at the year end. Any gain or loss arising on the management of the investment portfolio, including the revaluation to market value, is charged or credited to the statement of financial activities in the year. Investment management charges are charged against the endowment fund.

Pension costs

Contributions made to employees defined contribution pension plans are included as resources expended when due.

Operating lease rentals

Costs in respect of operating leases are charged to resources expended over the term of each lease.

2 Funds Analysis

Restricted Funds	Fund balance At 1 April 2014 £	Incoming resources £	Outgoing resources £	Fund Transfers & investment gains/(losses) £	Fund balance at 31 March 2015 £
Big Lottery Fund - Live	126,663	240,006	319,039	(47,528)	102
Big Lottery Fund – BVC II	861,959	2,451,535	1,803,460	(19,559)	1,490,475
Big Local Trust – Star people	519,619	723,997	1,140,694	(82,078)	20,844
Esmee Fairbain	87,617	363,687	360,818	(13,807)	76,679
Comic Relief	391,179	165,889	173,614	(30,640)	352,814
Comic Relief II	-	291,948	30,001	-	261,947
Steve Redgrave Fund	40,520	-	-	-	40,520
Youth – Other	86,595	-	-	(86,595)	-
Coutts	-	250,000	6,681	(5,171)	238,148
HEFCE	650,662	1,350,844	1,218,677	(143,739)	639,090
Cabinet Office – Wayra UnLtd	1,199,890	-	1,142,300	(17,500)	40,090
Cabinet Office – Youth	272,680	295,682	439,184	(57,957)	71,221
Cabinet Office – Venture	122,150	89,635	138,798	(19,053)	53,934
Sandwell	-	27,243	5,303	(3,743)	18,197
UBS	-	244,606	8,607	(15,920)	220,079
Santander I	303,513	-	186,778	(22,803)	93,932
Santander II	415,281	967,476	592,772	(137,535)	652,450
JP Morgan	223,555	215,703	93,800	(27,443)	318,015
Global networks	58,395	51,989	112,570	2,186	-
Pro bono networks	40,508	84,297	90,462	(6,023)	28,320
Other	-	10,481	2,623	(7,858)	-
Sub-total	5,400,786	7,825,018	7,866,181	(742,766)	4,616,857
Wayra UnLtd (joint venture)	(218,479)	-	-	218,479	-
Total Restricted Funds	5,182,307	7,825,018	7,866,181	(524,287)	4,616,857
Endowment Funds	120,050,277	-	886,707	4,336,442	123,500,012
Unrestricted Funds	3,588,215	5,029,561	5,539,752	1,499,814	4,577,838
Total Funds	**128,820,799**	**12,854,579**	**14,292,640**	**5,311,969**	**132,694,707**

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 are shown in note 6.

3 Incoming resources

	Unrestricted £	Restricted £	2015 Total £	2014 Total £
Investment income	4,897,633	-	4,897,633	3,986,557

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.

4 Income from trading activities

UnLtd has one wholly owned UK trading subsidiary, 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 as a general commercial company 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. A company registered in England and Wales, company number 6841529. A summary of their trading result is shown below.

	2015 Total £	2014 Total £
Turnover	130,282	33,738
Expenditure	26,032	14,998
Profit before gift aid	104,250	18,740
Gift aid to UnLtd	104,250	18,740
Retained in subsidiary	-	-

5 Charitable expenditure – grants payable

	Awarded in year £	Outstanding at 31 March 2015 £
Charitable expenditure - Grants payable		
Try It grant payable Awards to 246 individuals (2014 – 290)	93,009	6,531
Do It grant payable Awards to 489 individuals (2014 – 718)	1,508,451	1,331,833
Build It grant payable Awards to 89 individuals (2014 – 125)	2,090,538	392,897
Fast Growth grant payable Awards to 58 individuals (2014 – 44)	2,375,000	1,616,104
	6,066,998	3,347,365

6 Charitable expenditure – costs of support to awardees

	2015 £	2014 £
Salaries	3,382,010	3,567,701
Premises	346,995	308,644
IT	266,916	227,119
Events	349,724	272,465
Travel	425,961	424,989
Marketing	453,429	640,258
Depreciation	17,189	17,189
Grants to delivery partners for support of awardees**	1,659,035	519,540
Other	226,868	68,985
	7,128,127	6,046,890

** this includes a payment to Wayra UnLtd of £1,130,173 from income received in previous year thus contributing to a higher net cash outflow for the year

7 Charitable expenditure – governance costs

	2015 £	2014 £
Salaries	81,939	80,512
Trustees expenses	10,428	21,013
Legal	32,766	4,177
External audit	30,156	28,740
Internal audit	24,487	21,640
Other	5,000	22,555
	184,776	178,637

8 Tangible fixed assets (Consolidated)

	Land £	Building £	Computer and IT £	Furniture and fixtures £	Total £
Cost					
At 1 April 2014	800,000	125,000	206,107	549,153	1,680,260
At 31 March 2015	800,000	125,000	206,107	549,153	1,680,260
Depreciation					
At 1 April 2014	-	55,000	193,896	549,153	798,049
Disposals	-	-	-	-	-
Charge for the year	-	5,000	12,189	-	17,189
At 31 March 2015	-	60,000	206,085	549,153	815,238
Net book values					
At 31 March 2015	800,000	65,000	22	-	865,022
At 31 March 2014	800,000	70,000	12,211	-	882,211

8 Tangible fixed assets (UnLtd)

	Computer and IT £	Furniture and fixtures £	Total £
Cost			
At 1 April 2014	199,470	13,058	212,528
Additions	-	-	-
Disposals	-	-	-
At 31 March 2015	199,470	13,058	212,528
Depreciation			
At 1 April 2014	187,257	13,058	200,315
Disposals	-	-	-
Charge for the year	12,191	-	12,191
At 31 March 2015	199,448	13,058	212,506
Net book values			
At 31 March 2015	22	-	22
At 31 March 2014	12,213	-	12,213

9 Investments

	Unrestricted funds £	Endowment funds £	Total £
Market value at 31 March 2014	8,236,318	120,050,277	128,286,595
Net unrealised/realised investment gains	100,353	4,993,137	5,093,490
Investment income earned	4,897,633	-	4,897,633
Investment income drawdown	(3,739,741)	-	(3,739,741)
Investment charges deducted	(1,319)	(886,707)	(888,026)
Transfer between funds**	656,695	(656,695)	-
Market value at 31 March 2015	10,149,939	123,500,012	133,649,951

** represents the transfer of embebded investment management fees previously charged to unrestricted funds

Asset allocation:

UK Treasury 8.75%	19,379,686
GS – Liquid resreves and cash	3,300,060
Charities Property Fund	10,288,405
AQR – Style Premia Fund	12,290,400
Dimensional – Global Core Fund	30,906,900
Dimensioanl – Emerging Markets Equity	28,036,359
THS – International Growth Fund	29,448,140
Market value at 31 March 2015	133,649,951

All investments are held by the Millennium Awards Trust.

10 Debtors

	UnLtd 2015 £	Group 2015 £	UnLtd 2014 £	Group 2014 £
Trade debtors	751,428	794,756	69,954	135,044
Prepayments and accrued income	769,444	814,388	809,294	809,693
Other debtors	46,559	46,559	42,850	42,850
Amounts due from subsidiary undertakings	4,226,497	-	3,395,099	-
	5,793,928	1,655,703	4,317,197	987,587

11 Creditors: amount falling due within one year

	UnLtd 2015 £	Group 2015 £	UnLtd 2014 £	Group 2014 £
Trade creditors	263,781	285,247	339,053	355,503
Awards accruals	-	3,347,365	-	2,532,145
Accruals and deferred income	157,810	208,829	150,385	240,229
Other taxes and social security	85,159	89,917	86,018	97,402
Other creditors	15,643	15,643	15,018	15,018
Loan (see note 12)	-	91,589	-	90,362
	522,393	4,038,590	590,474	3,330,659

12 Creditors: amounts falling due after more than one year

	Group 2015 £	Group 2014 £
Loan from Triodos Bank:		
Amounts falling due:		
After one year and before two years	92,834	91,589
After two years and before five years	286,136	282,301
After more than five years	382,884	479,553
	761,853	853,443
Within one year (see note 11)	91,589	90,362
	853,442	943,805

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.

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 Net Assets Fund Analysis

	Unrestricted £	Restricted £	Endowment £	Total £
Fixed assets	865,022	-	-	865,022
Investments	10,149,939	-	123,500,012	133,649,951
Net current assets/(liabilities)	(5,675,270)	4,616,857	-	(1,058,413)
Long term creditors	(761,853)	-	-	(761,853)
	4,577,838	4,616,857	123,500,012	132,694,707

15 Staff numbers and costs

	2015 £	2014 £
Salaries	2,923,080	3,115,017
Social security costs	310,460	331,256
Pensions	97,504	90,640
	3,331,044	3,536,913

Average weekly number of employees during the period calculated on full time equivalent basis was:	83	89

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

£60,001 to £70,000 per annum	2	1
£70,001 to £80,000 per annum	1	1
£80,001 to £90,000 per annum	1	1
£110,001 to £120,000 per annum	1	1

Trustees received no remuneration but total expenses of £2,078 on travel and training were reimbursed to 8 Trustees (2014 - £3,987 reimbursed to 8 Trustees) during the reporting period. Protector fees of £5,000 (2014 - £5,000) were payable.

16 Operating lease commitments

The annual commitments for rent of the group's premises are as follows:

	Expiry date	Total £
Birmingham	December 2017	20,604
Bradford	June 2015	12,600
		33,204

17 Other disclosures

	2015 £	2014 £
Operating lease rentals – land and buildings	94,432	78,922
Interest payable on bank loans	12,184	13,394

18 Financial instruments and associated risks

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.

19 Related party transaction

The Charity has taken advantage of the exemption from disclosing intragroup transactions, as permitted under FRS 8 "related party disclsures". There have been no related party transactions in the year.

20 Investment Wayra UnLtd

UnLtd's interest in the Joint Venture, Wayra UnLtd, was first reported in year ending 31 March 2014 consolidated accounts. Wayra UnLtd was established as a company limited by shares owned 50 50 by Wayra UK (subsidiary of Telefonica) and UnLtd. It was created to support a cohort of 30 tech-based social ventures at start-up stage. UnLtd had never intended to make a financial gain from the investment in Wayra UnLtd. It would not seek a share of the net asset position upon winding up of the entity nor will it be expected to fund a share of a net liability position, as Wayra UK (subsidiary of Telefonoca) has reconfirmed that it will cover any costs and liabilities in excess of UnLtd's agreed costs as per initial sub grant agreement. It was concluded that UnLtd has no long term interest in Wayra UnLtd beyond the initial 2 years of opearion and an exit agreement was drawn up in January 2015. Therefore it is appropriate for UnLtd to report a disposal of the Joint Venture. The impact of the disposal has improved the year end balance sheet position as reserves are no longer reduced by a share of the Joint Venture liabilities.

21 Investment management fees

Previous year's investment management expenses were re-stated to include investment managers' fees and expenses pre-deducted prior to dividend distribution.