

TRUSTEES' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2014

THE FOUNDATION FOR SOCIAL ENTREPRENEURS (UnLtd)

**Charity No. 1090393
Company No. 4180639**

MILLENNIUM AWARDS TRUST

Charity No. 1095749

THE FOUNDATION FOR SOCIAL ENTREPRENEURS SCOTLAND (Scotland UnLtd)

**Charity No. SC032445
Company No. SC225417**

UNLTD SCOTLAND

**Charity No. (being registered)
Company No. 475273**

FSE Management Services Ltd (Company limited by guarantee)

Company No. 6841529

**THE FOUNDATION FOR SOCIAL ENTREPRENEURS (UnLtd)
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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.

Scotland UnLtd is a company limited by guarantee with charitable status registered in Scotland. The Millennium Awards Trust has delegated its powers to make Awards in Scotland to Scotland UnLtd under Clause 9(3) of the Trust Deed. The arrangements for doing so include UnLtd appointing two of its Trustees to be Directors of Scotland UnLtd.

UnLtd Scotland is a company limited by guarantee which is intended to gain charitable status through registration in Scotland. The Millennium Awards Trust intends to change its delegation of powers to make Awards in Scotland from Scotland UnLtd to UnLtd Scotland in 2014/15.

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, Scotland UnLtd and FSE Management Services Ltd in the year.

**THE FOUNDATION FOR SOCIAL ENTREPRENEURS (UnLtd)
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1. LEGAL AND ADMINISTRATIVE INFORMATION

Trustees of the Foundation for Social Entrepreneurs (UnLtd)

Name	Appointment date	Resignation date (if applicable)
Alison Fielding	28 May 2008	21 June 2013
Andrew Croft	28 July 2008	21 June 2013
Anthony Freeling	27 September 2004	9 June 2014
Hazel Dodd	21 June 2013	10 March 2014
Jason Shaw	26 July 2010	
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	
Natalie Campbell	28 May 2008	
Nicholas Farhi	9 June 2014	
Norman Cumming	31 October 2005	
Rajeeb Dey	28 May 2008	
Rich Benton	24 September 2007	21 June 2013
Richard Tyrie	28 May 2008	
Rodney Stares	26 March 2007	10 March 2014
Ruth Dobson	9 June 2014	
Sue Charteris	9 June 2014	

Committees

Audit Committee	Investment Committee	Nominations, Remuneration and Governance Committee	Finance Committee	Awards Committee
Jason Shaw (Chair)	Norman Cumming (Chair)	Judith McNeill (Chair)	Ruth Dobson (Chair)	Richard Tyrie (Chair)
Henrietta Irving	Anne Glover	Martin Wyn Griffith		Loic Menzies
Stuart Mills	Hosein K-Hosseiny			Sue Charteris
Alex Butt	Elroy Dimson			
Jeremy Brettell	Martin Wyn Griffith			
Joanna Pittman				

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 on 27 January 2006 and on 27 January 2009 by the Secretary of State for Culture, Media and Sport. Patrick Harrington QC has accepted a fourth three year term of office to run until 26 January 2015. The Protector's fiduciary duties are to ensure the integrity of the administration of the Trust and the propriety of its procedures.

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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

Custodian

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

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2. INTRODUCTION AND OVERVIEW

Welcome to UnLtd – the 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.

The last year has been a significant turning point for UnLtd. Since taking on the role of Chair in June 2013, I am delighted to report two major building blocks for our future work: a new governance arrangement which provides a strong platform for our continuing development, and a new role for UnLtd as the entrepreneurial change agent in this rapidly evolving sector of the social economy.

UnLtd is committed to building the opportunities for social entrepreneurs to step forward on a far greater scale than ever before. We now have the evidence and impact measures which allow for deep understanding of what works in this field. We use this evidence and the experience of working with over 1,000 people a year, to improve our own activity, demonstrate its value to others, support our partners, and influence policy. We are innovators and developers of new approaches to social entrepreneurship, with a cycle of experimentation, market testing, and implementation at scale, for example:

- Developing methods to build social entrepreneur support capacity in disadvantaged areas, with the Big Local Trust, Esmee Fairbairn, JP Morgan, and others
- Making social entrepreneurship a mainstream option in education, collaborating with HEFCE, the Cabinet Office, and the National Citizens Service
- Experimenting with thematic programmes, connecting social entrepreneurs to the experts and customers in specific sectors such as care and education
- Testing out corporate social venturing, with a pilot social incubator in partnership with Telefonica Wayra and the Cabinet Office
- Building the pipeline of high growth social ventures and the angel investors they need to succeed, with the Big Lottery Fund support for the Big Venture Challenge
- Bringing together social entrepreneurs who are prepared to help the next generation, in radical experiment to test the viability of peer-to-peer support networks, with resourcing from Santander
- Using the experiences of social entrepreneurs to influence policy such as the social investment tax relief, the Social Impact Investment Taskforce initiated by the G8, and work across the political parties on the growing importance of social entrepreneurial skills and experience for the future of work and the economy

Increasingly, we operate through networks of partner agencies and individuals, with 170 delivery partners in the UK and another 40 internationally. From schools, community groups and social housing agencies, to universities and major corporates, reaching people from all parts of society, we find the very best talent with the highest potential to learn, develop and deliver social impact at scale.

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 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 (from 21 June 2013)

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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 and 21 June 2013 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 put 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.

All 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.

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.

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 Scotland UnLtd.

The Operations Director is responsible for recommending Awards in England, Wales and Northern Ireland, and final decisions on Awards for the Millennium Awards Trust programme are made by the Awards Committee. In Scotland, decisions on Awards were delegated to the Board of Scotland UnLtd acting as its Awards Committee; in future, this role is intended to switch to the Board of UnLtd Scotland. Awards under some externally funded programmes are considered by their respective funders on recommendation from UnLtd staff. UnLtd's Awards 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 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), 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

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- 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 Committee, Audit Committee, Awards Committee, Ventures Advisory Group, designated lead Trustee on development, and subsidiary companies. During 2013/14 the Board made major changes as part of a full review of our governance, culminating in a Special Resolution to amend our Articles of Association. Committee structures and roles are expected to be reviewed again after one year in the light of experience.
 - The Activities Report, which describes externally funded work and other activities, and the KPI Dashboard which gives an overview of performance and progress.
 - 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.

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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:

- 56 Universities
- 27 FE Colleges
- 25 Community based organisations
- 39 Global Social Entrepreneurship Network members in 27 different countries
- 18 Housing Associations
- 34 Star Partners through the Big Local Trust scheme
- Actis
- Asia Venture Philanthropy Network
- Atlantic Philanthropies
- Atos
- Adam Smith International
- Asiant Capital
- Bain & Co
- Big Lottery Fund
- Big Society Capital
- Big Society Network
- Bright One
- British Council
- Cabinet Office
- Calouste Gulbenkian
- Centre for Entrepreneurs
- Changemakers
- ClearlySo
- Comic Relief
- Culture Group
- Centrica
- Coutts
- Debevoise & Plimpton
- Deloitte
- Department for Communities and Local Government
- Deutsche Bank
- DLA Piper
- Emerge Venture Labs
- Enkolon
- Ernst & Young now known as EY
- Esmée Fairbairn Foundation
- Euclid Network
- European Cultural Parliament Youth Network
- European Union through the Erasmus+ programme
- European Venture Philanthropy Association
- Fairwood Trust
- Firstport
- Footwork First
- Foyer Federation
- Full Circle
- Google
- Guardian Social Enterprise Network
- HEFCE
- Help from Home
- Hogan Lovells
- Hub Singapore / UnLtd Singapore
- Impact Hub Network
- Innovation Exchange
- IoD
- Joseph Rowntree Foundation
- JP Morgan

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- Kering
- Kwitck Consultancy
- KU Leuven
- Local Trust
- Locality
- McConnell Foundation, Canada
- McKinsey & Co
- Mentor a Business
- Montpelier Foundation
- NACUE
- National Federation of Market Traders
- NESTA
- Nike
- NPI China
- Office for Civil Society
- On Purpose
- Orrick, Herrington & Sutcliffe LLP
- Oxford Jam
- PA Consulting
- PHS
- Plunkett Foundation
- Queen Mary University London (Tower Hamlets programme)
- RBS
- RSA
- Royal Bank of Scotland
- Rothschild
- Santander
- School for Start Ups
- Scope Group Malaysia
- Shaftesbury Partnership
- SHINE Unconference for Social Entrepreneurs
- Shirlaws
- SimplyDo StartUp
- Sir Steve Redgrave Fund
- Skoll Centre for Social Entrepreneurship
- Social Economy Alliance
- Social Enterprise UK
- Social Entrepreneurs Ireland
- Social Entrepreneurship Partnership
- Social Investment Business
- Society Media
- Sport Leaders UK
- Student Hubs
- Supper Club
- Teacherpreneur
- ThinkBig
- Thompson Reuters (Trustlaw Connect)
- Tower Hamlets College
- University College London as part of the Intellectual Property Office's Fast Forward Competition.
- UnLtd Hong Kong
- UnLtd India and Journeys for Change
- UnLtd Indonesia
- UnLtd South Africa
- UnLtd Spain
- UnLtd Taiwan
- UnLtd Thailand
- UnLtd USA
- Virgin Pioneers
- Xing Education
- Youth Business International

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f. Related parties

The Foundation (UnLtd) previously had five 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

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 have 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.

Scotland UnLtd 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, UnLtd South Africa, UnLtd Thailand, UnLtd Spain, UnLtd Hong Kong, UnLtd Indonesia, UnLtd Singapore, 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 and Social Entrepreneurs Ireland. 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 39 agencies in 27 countries.

UnLtd participated in Wayra UnLtd, a company limited by shares owned 50:50 by Wayra UK and UnLtd created to run for a minimum period of two years and set to support a cohort of 30 tech-based social ventures at start-up stage, 10 every eight months. Each cohort member will receive £40,000 for approximately 10% of their shares. 50% of any profits made from any sale of this investment will be protected. They will be recycled into Wayra UnLtd if made during the first four years, thereafter into Telefonica's CSR activities. The Board of Wayra UnLtd will consist of one representative from Wayra UK, one from UnLtd and one independent member.

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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)
- The Foundation for Social Entrepreneurs Scotland (charity number SC032445, company number SC225417)
- 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 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 and 27 January 2012, with a fourth three year term of office to run until 26 January 2015. Appointment or reappointment of the Protector of the Millennium Awards Trust is decided by the Secretary of State for Culture Media and Sport.

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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.

The Foundation for Social Entrepreneurs Scotland

Constitution and Objects of Scotland UnLtd

The Charity is governed by its Memorandum and Articles of Association dated 13 September 2002 and is a charity registered in Scotland number SC032445.

The objects of Scotland UnLtd are:

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

The Relationship between the Foundation for Social Entrepreneurs (UnLtd), Scotland UnLtd, and UnLtd Scotland

Recognising the constitutional arrangements in the United Kingdom and UnLtd's desire to involve local people in decision making in the Awards scheme, it was decided to delegate Award making powers to Scotland UnLtd, a separate charity registered in Scotland.

To effect this in accord with the terms of the Trust Deed, UnLtd appointed two of its Trustees to the Board of Scotland UnLtd. These Trustees had the power to refer any decision to be taken by Scotland UnLtd to the Board of UnLtd, which had the power to decide on the matter.

The staff of Scotland UnLtd were employed by UnLtd and seconded to Scotland UnLtd. Local management oversight is arranged under a formal agreement with Firstport. Awards programmes are organised to be as seamless as possible alongside the programmes of Firstport, for the benefit of applicants.

Scotland UnLtd, acting through its Awards Committee, took decisions on applications for Awards and these were paid directly to Award Winners by UnLtd. Any expenses incurred by Scotland UnLtd in performing this function are met by UnLtd.

Scotland UnLtd was therefore a subsidiary charity of UnLtd and acts as an agent for the Millennium Awards Trust.

In March 2014, Senscot as a Member of Scotland UnLtd decided to end their relationship and either transfer their membership to UnLtd or to wind down Scotland UnLtd with a view to dissolution. The only other Member of Scotland UnLtd, CAN, did not consent to transfer. Scotland UnLtd is therefore being wound down.

UnLtd has therefore created a new Company Limited by Guarantee named UnLtd Scotland to replicate the original delegation and operating model, with UnLtd as the sole Member, and recruiting Trustees to join its Board from Scotland and UnLtd. The new Company Limited by Guarantee has been registered, and an application is in process for charity status with the Office of the Scottish Charity Regulator.

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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, professionals and peers to improve and inspire positive social impact.

Corporate clients that provide people, expertise, pro bono support, finance and in-kind venues include: Actis, EY, Deutsche Bank, Hogan Lovells, DLA Piper, Debevoise & Plimpton, PA Consulting, Thomson Reuters (TrustLaw Connect), Google (Google Campus), Centre for Entrepreneurs.

Other Corporate clients that work with the V&PB Team as a partner to share knowledge & expertise: Centrica, RBS

Total financial value of pro bono support & resources provided by our partners in 2013/14 was: £1.4M

Breakdown:

- 216 individual 1:1 matches (value: £1.2M)
- 94 social entrepreneurs supported through Pro Bono clinics & workshops (value: £108K)
- 417 social entrepreneurs reached through webinars & sector events (value: £18K)
- 28 free venues for events & meetings (value: £14K)
- Revenue raised through corporate partners: £120

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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.

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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 2014/15.

In 2013, UnLtd conducted a constitutional review, including the creation of a Nominations, Remuneration and Governance Committee. This NRG Committee now oversees the appraisal and performance review of the CEO, including decisions on remuneration. The first appraisal and performance review under this new system was conducted in 2014. The current remuneration for the CEO was assessed as appropriate to the ambition of the Charity and the performance of the CEO.

In future years the NRG Committee will take into consideration the recommendations of the NCVO Report, "Setting and Communicating Remuneration Policies". The Committee and the CEO have 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 will be reviewed during the financial year 2014/15 alongside an organisational review of the Senior Management Team.

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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 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.

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- 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 2 complaints were received. 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

An independent "energy index" staff survey was conducted in 2013 and a further survey will be undertaken in 2014.

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.

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Investment strategy

UnLtd as a charity

The Foundation for Social Entrepreneurs (UnLtd) had no investment assets in this financial year.

UnLtd as Trustee of the Millennium Awards Trust

As the sole Trustee of the Millennium Awards Trust, UnLtd is responsible for the investment of the Endowment. This investment is subject to a number of objectives and constraints set out in its Trust Deed, most notably:

1. In exercising the power of investment in relation to the Endowment 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 annually for changes in the consumer prices index).
2. The Trustee is required in any year other than the first 24 months following execution of the Trust Deed to apply at least 75% of the income arising from the Endowment in furtherance of the Objects. The balance 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.
3. 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 2 above.
4. If the capital value of the endowment falls below Real Value, capital may not be treated as additional income, 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.

The investment strategy needs to balance the objectives and constraints above, and any further constraints under the Trust Deed. The selected investment managers have been fully instructed of all constraints.

Procedures for exercise of investment arrangements

In order to meet the objectives and constraints above, the following procedures have been agreed:

1. The Investment Committee on approval from the Board should invest the funds of the Millennium Awards Trust in accordance with Clause 8, Schedule 3 and Schedule 4 of the Trust Deed, which include the points listed above.
2. The Investment Committee must submit a one year investment strategy to the Board for its approval on an annual basis. The Investment Committee may also submit, and/or the Board may request submission of, a longer term investment strategy for approval by the Board.
3. The Investment Committee will develop the investment strategy in consultation with the Trustee's investment manager(s) and ensure that it complies with this investment policy.
4. The investment strategy will include the risk profile of the proposed strategy. The Committee should employ risk management strategies that seek to preserve the real capital value of the funds over 10 years.
5. The investment strategy will also include any proposed ethical constraints.
6. Any proposed mid-year modifications to the investment strategy must be approved by the Board.
7. Constraints: the Investment Committee shall observe the following constraints in pursuing the investment objectives:
 - 7.1 The restrictions on investment contained in the Trust Deed must be observed.
 - 7.2 All investments must meet the ethical constraints approved by the Board.
 - 7.3 Voting rights over shareholdings shall be delegated to the investment managers who shall act in compliance with the ethical investment policy.

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7.4 The Trustee (UnLtd) will solely use FCA authorised investment managers to manage the Millennium Award Fund assets.

7.5 Investment of the Income Reserve must ensure that sufficient liquidity is preserved.

8 It is envisaged that a tendering process for investment managers will be held every five years.

Expectations

The Investment Committee has taken advice on the most appropriate achievable balance between the various objectives and constraints. Its conclusions are that:

1. A long-run average return that permits target annual expenditure of about 3.75% of the Endowment should be achievable, consistent with a good probability of the portfolio exceeding Real Value over a 10 year timescale; and
2. The investment approach should permit spending to increase with the CPI in the longer term, avoiding under foreseeable circumstances any year-to-year cuts of more than 10% in spending.

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.dimension.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.

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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 2014, UnLtd's reserves were equal to 7.8 weeks of restricted expenditure.

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5. STRATEGIC REPORT

a. Performance achieved against objectives set 2013/14

Objectives for the year 2013/14

UnLtd's key objective during the year 2012/13 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.

Performance on year plan for 2013/14

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

	Action	Objective for 31/3/13	Result	Outcome notes
1	Embedding cultural change across the organisation	Implement "one UnLtd" team sharing and learning programme, including use of intranet	Green	All delivery teams report to operations with a shared philosophy of 'One UnLtd' and staff performance managed from April 2014. Professional development plans in place and project management and coaching training have taken place. Extensive use of intranet for knowledge exchange.
2	Refining our new Awards	Review the process of our new Awards and where necessary revise process	Green	Our independent evaluation gave overall positive feedback on the new Awards set. Several developments and actions however will apply, including the profile of Awards. A further evaluation will look at outcomes of Awards as results become available
3	Knowing our impact	Full implementation of Awards Manager achievement reports, identification and use of key measures	Green	Awards Manager achievement reports have been a very much welcomed. The next year will focus on how they are used for improving performance. Key measures identified.
4	Recognising achievement	Design and rollout achievement recognition system for all teams: final plans approved, managers training in place	Green	Performance related pay, Hall of Fame, and Managers training delivered. Will evolve next year in plans under Professional Firm model.
5	Implementing a single CRM system across UnLtd	ThankQ designed, delivered, tested, rolled out, bugfixed Early adopters pilot Full rollout including staff training	Green	New single CRM delivered end of March, with full implementation including training in progress. Plans to create a portal to allow partners to use the system to happen in 2014/15.
6	Developing our talent	Fully implement and roll out the UnLtd Academy. Instigate an annual programme of mindmelds, webinars, study lunches and development sessions. Present business plan for the Academy approved. Implement	Amber	This has been partially achieved with many items on the academy plans delivered including mindmelds and webinars. However the original plans have evolved and will now fall into our new Knowledge and Learning Network strategy development.

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		plan		
7	Governance changes	Changes agreed by special resolution and implemented	Green	New Governance arrangement in place. New Trustees recruited successfully.
8	New ways of working for Trustees	Test, review & implement the new approach to lead Trustees/Committee Chairs and quarterly Board meetings	Amber	Quarterly Board meetings in place, with lead Trustee and Committee Chairs selected. Hudson Review reported, and changes underway to Board working practices. Committees to be reviewed in autumn 2014.
9	Core MAT Awards	Deliver 660 Do It and 18 Build It Awards	Amber	We have made fewer bigger Do It Awards, and more Build It Awards than originally planned.
		Deliver 15 Fast Growth Awards	Green	Fast Growth as planned. We have responded to Trustees request for purposeful Award making with a social care focus pilot.
10	Externally funded Awards	Deliver 401 Try It, 335 Do It, and 17 Build It Awards (for scaling up work see 14)	Green	This year we have introduced externally funded Spark Awards and continued to deliver Try It, Do it and Build It Awards in Big Local areas. We have forged new partnerships with Think Big and Montpelier to extend our Award making
11	Star People programme as part of Big Local	Design the second phase of our Starpeople programme for 2014/15 onwards and negotiate agreement with Local Trust	Green	An extension to the Local Trust contract has been secured for the next three years. A new focus on intensive support for social entrepreneurs in progressive Big Local areas has been agreed
12	Live UnLtd	Design the next phase of our youth social entrepreneurship work Initiate discussions with funders	Green	The Live UnLtd programme has fulfilled all commitments to funders and ended the programme with a successful LivingIt Festival, attended by over 600 participants. A new Youth Strategy has been produced and short term funding secured from Cabinet Office and JP Morgan. Other programmes are in development
13	Higher education programme and extension to further education	Complete current programme with 54 HEIs, secure next phase programme, and extend to 30 – 35 FE Colleges	Green	Second stage of funded work completed on target and third phase of work now underway with HEIs. FE college work completes June 2014.
14	Scaling up programme: Big Venture Challenge and Wayra UnLtd	BVC I: grant final £150k, scale-up cohort, produce impact and evaluation report, build peer to peer support. BVC II: select first 30, find investors, match this with £1.5m, scale	Green	All plans have been achieved with better outcomes than expected.

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		up and measure impact. Wayra UnLtd: prepare incubator space, find first cohort of 10, deliver incubator programme.		
15	Networks approach including peer to peer support and Connect	Pilot, iterate and roll out peer to peer support model	Green	Peer to Peer support models being successfully tested and learning for future models generated, for example: Spark Awards: social entrepreneurs to social entrepreneurs. Education: Peer support meetings with Universities/FE colleges. Expert Clusters – partnerships of Universities, FE Colleges and others in regions.
		Propose and implement new networks model incorporating Connect	Amber	Networks approach has been broadened to Knowledge, Learning & Networks. Over the next year the model will be developed for impact with entrepreneurial change agent role.
16	Research, policy and demonstrating and influencing programmes	Deliver next series of research reports, develop our policy approach, deliver demonstrating and influencing plans, integrate learning into design and delivery	Green	6 Findings reports and Spotlights published and promoted in sector, alongside all planned programme evaluations. Successful demonstrating and influencing plans leading to a number of policy outcomes, positioning us well for future election. Learning for practice and design being built into new KLN and upcoming R&D approach.
17	Planning for the impact of the Investment Review	Agree new investment strategy Budget 2014 Identify operational implications and new approaches to fit	Green	Investment strategy agreed and in implementation Earlier budget reductions made in 2013 have reduced the impact on reductions for the 2014 Budget enabling a smoother transition for operational delivery
18	Communications	New approach to delivering basic communications and; design/develop plan for longer term	Amber	Basic communications management and delivery is now internal and becoming embedded. Longer term plan in line with a refreshed organisation strategy will take place next year.
19	New approach to locally focused social entrepreneur support	Expand the impact of eco-system development part of UnLtd 5 year strategy through innovation, partnerships and new forms of collaboration, including locality based working.	Green	Eco-system development has expanded well through partnership schemes, enabling testing out of innovative models for example, HEFCE phase 3, Lead the Change, Big Local, National Citizenship Service, Start Something Social. Each scheme has a locality or geographic focus.
20	New approach to resource raising	Review and improve efficiency, effectiveness and capacity of development team and	Amber	Collaboration on development and fundraising has been enhanced, strengthening processes to include mechanisms for cross team approaches and Award Manager contributions. A new approach to aligning development, research and

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		processes. Develop stronger alignment across UnLtd and between development, research and policy.		policy, including specific staff roles to research and programme development is under development and will be implemented this year.
21	Resourcing our growing network of partners with the tools and information needed for quality	Plan, develop and deploy key eco-system /partner development systems e.g. - Support Manuals - CRM access - Peer-peer support - Partner training - Diagnostics tool - Partner quality system	Green	A range of resources and tools for support to partners have been developed and are being tested. They include:
			Amber	- Basic partner support manual - Award winner and partner diagnostic canvas - Online SEE Exchange platform - Action learning sets/ Peer support group meetings - Partner Training curriculum - FE Cluster in Wales - Events Work on a partner quality and audit system, CRM access and data commons approach are underway, as well as a 'MOOC' for supporters which is at design stage.
22	Taking our international network and learning towards sustainability	Identify business model and pursue resources to underpin our global learning network and capacity to support new "UnLtds"	Amber	The network is in place and thriving, with 39 agencies in 27 countries, including 12 UnLtds, and feedback on the value of the shared learning network. However the network is not yet financially sustainable

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

Our 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's contribution to the first phase of Big Local was to find and support social entrepreneurs in the 150 chosen communities and to support local agencies to develop their own support mechanisms for the future. In January, Big Local Trust approved UnLtd as a partner for phase two of the work (2014-2017).

UnLtd was also supported by the Big Lottery Fund to deliver the Big Venture Challenge as part of their People Powered Change theme. This programme supported 55 of the social entrepreneurs with the highest potential for rapid growth and major impact during 13/14, 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 two more years of this programme, set to help 70 more social entrepreneurs to scale their ventures.

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

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Following on from a highly successful earlier scheme of Higher Education Social Entrepreneurship Awards funded by HEFCE, UnLtd was invited to propose a further phase of work. Following support for higher education institutions to create their own in house social entrepreneur support programmes, and a third phase of the programme has commenced to work with clusters of HE institutions. Building on the model, UnLtd has also undertaken work with around 30 Further Education Colleges and developed a young social entrepreneur curriculum for use in schools.

Santander have 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.

Enhancing support for community entrepreneurs

In partnership with Big Local Trust, UnLtd has developed the Star People Programme: ground breaking work, with individuals in 150 previously overlooked communities to transform their local area. Star People Award Managers identify and support creative individuals with drive and passion who can create positive change in their local areas. In another important development, our team are assisted by partner organisations (Star Partners), together providing a really effective system of support for Award Winners. In the next phase of the work, UnLtd will work more intensively with 15 Big Local areas to ensure that social entrepreneurs and their networks contribute to the transformation of their place.

MAT Awards

Following a refreshed job description, the new MAT Award Managers came into post in June 2012 and their role has continued to evolve during 2013. As well as supporting existing Award Winners, responding to UK wide enquiries, they have also targeted areas of the UK that were not well represented. We then looked at significant population centres and rural areas with characteristics such as withdrawal of significant employment, youth unemployment hotspots alongside opportunities provided by engaged local authorities or ambitious Local Enterprise Partnerships. Award Managers are now responsible for a portfolio of Awards, including externally funded projects and work with partner organisations such as housing associations to support social entrepreneurs.

Live UnLtd

The Live UnLtd team was set up to focus on working with social entrepreneurs aged 11-21 across the UK. It achieved significant results in the reporting period and the programme concludes in June 2014.

Live UnLtd has delivered a number of campaigns. For instance, *Create Your Career* focused on school children and gave them a booklet and training boot camp to help shape viable social ventures they could run within the school environment. UnLtd partnered with Sir Steve Redgrave Fund and launched *Your Call Your Community* to find local ambassadors who wanted to run social ventures to address a problem in their area. Another campaign supported young social entrepreneurs with a product or service to test trade in a marketplace, Working with Nike, young people set up their own running crews across London.

Live UnLtd sourced and developed regional partnerships with healthcare trusts, a young offender's institute and Guide Dogs for the Blind. Live UnLtd also formed partnerships with Blast Beat and the Foyer federation to work with young people challenged by homelessness, substance abuse and teenage pregnancy. A successful international partnership with the British Council involved a residential event for 30 young social entrepreneurs. This led to the opportunity for 5 young people to travel to Sudan and Serbia.

Live UnLtd launched a pilot programme with 7 Further Education Colleges, to embed the find, fund and support ethos within institutions. Each FE partner was provided with an awards pot and tailored support for young learners within the college environment, which they matched with cash, and/or in-kind support and resources for the young social entrepreneurs. Currently there are 26 FE colleges within the network who have distributed 300 awards to young social entrepreneurs.

Live UnLtd has developed a partnership with Save the Children to design a social enterprise curriculum, to be rolled out in 350 schools across the UK this year, and was also a partner for the first WE DAY in the UK, held at Wembley arena. Other work in schools included working in partnership with Young Enterprise to deliver the Tenner programme in schools across the UK, Live UnLtd lead the implementation of the "social" tenner and the tools and

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resources.

Live UnLtd also delivered the largest (worldwide) festival celebrating young social entrepreneurs. In partnership with Google campus, Toms and Eventbrite, Live UnLtd put on a two day festival with 700 participants, 43 organisations running 43 workshops, led by 88 workshop leaders.

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 MAT funded programme, Fast Growth, 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 final year of three for the Big Venture Challenge pilot programme alongside the first year of three for the Big Venture Challenge (part 2), both funded by Big Lottery Fund.

UnLtd received £163,800 during the reporting year, (representing the 1st year of funding) from the Cabinet Office to create a specialist cohort of social ecosystem market makers within the Fast Growth programme. This fund has been held in restricted reserves at year end.

Support provided by UnLtd Ventures from April 2013 – March 2014 included:

- Working with a total of 25 members of the Big Venture Challenge pilot programme cohort helping them to scale and win investment.
- In 2013/14, 2 further co-investment deals were secured using £150k of the BVC match funding to leverage £205k co-investment.
- This means that since the start of the programme 13 of our 25 Big Venture Challenge cohort won investment summing to a total amount of £1.98m, 78% of co-investment (to our match) came in the form of equity and 81% came from new investors to the social sector. For every £1 of match fund investment, £1.49 of co-investment was leveraged.
- In 2013/14, the remaining 23 award winners generated a total turnover of over £6,884,568 – equivalent to a mean average turnover of £724,691 each.
- 224 staff were working for BVC (pilot) award winners by the end of 2013/14, along with 205 volunteers.
- 5,728 people were benefiting from the work of BVC (pilot) award winners by the end of 2013/14. From the start of the programme in 2011 up to March 2014, turnover grew across our BVC pilot cohort by an average of 35%, employees by 12%, volunteers by 11% and beneficiaries by 32%.
- Working with a total of 30 ventures as part of the Big Venture Challenge (part 2) helping them to scale and win investment.
- We helped 20 out of 30 of them to win investment which, along with our match, totalled £5.6m. Each £1 of our match leveraged in an average of £2.21. 70% of external investment was equity investment. New angels were attracted to invest, 64 of whom had never before invested in a social venture.
- Helped the cohort of 30 to scale-up.
- Funded and supported 15 Fast Growth award winners to scale all of whom reported progress and good levels of satisfaction.
- Supported the first cohort of 10 at Wayra UnLtd who have progressed and are in the process of finalising £1.2m of investment excluding their Telefonica/Cabinet Office investment. 5 out of 10 of them are actively working with other divisions of Telefonica.
- Helped all cohort ventures to define and evidence their social outputs.

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- 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 new funding for 2014/15 from Santander and the Cabinet Office in support of the Fast Growth programme.
- The Ventures team set out their strategy for scaling social impact, 2014-2016, and this was approved by the Board. The scaling-up strategy forms part of UnLtd's overall strategy and contributes more widely to the ecosystem for social entrepreneurs.

UnLtd Research and Policy

In 2013-14 we developed our monitoring and evaluation framework to deliver substantive changes in our ability to report and account for the non-financial activity of the organisation. This is outlined in the new KPI section of this report. In addition to Board and SMT level reporting we have developed Activity and Impact Reports for frontline staff, to support their performance and professional development. We have also developed similar reports for our fund partners.

In December we commissioned **Renaisi** to deliver our triennial external evaluation of MAT Award Making. We asked them evaluate the implementation of our new Awards set, to understand if the design and implementation of the Awards was successful in achieving the changes intended as a result of the 2012-13 Product Review. Note the evaluation was not designed to look at outcomes from these new Awards as they had only been running for up to 9 months. Their report '**Evolving the new Awards**' published strong findings, illustrating the Awards were appropriately designed to meet the needs of social entrepreneurs at stages within their journey, aligned with our Theory of Change (2012). A number of implementation recommendations were made which have been built into the operational year plans, including a re-profiling of Awards to increase the number of Build It Awards for 2014-15. Other programme evaluations included '**UnLtd Higher Education Support Programme – building HEI capacity**' and '**UnLtd Higher Education Support Programme - Developing social entrepreneurial capacity of staff, students and graduates.**'

This year we continued the research Findings series with a focus on social entrepreneurs ambitious for scale, namely '**Findings Paper 7: Attracting Early Stage Social Investment**' and '**Findings Paper 8: Building a Social Investment Pipeline**'. We also published a joint **solutions paper** with Joseph Rowntree Foundation alongside a deeper report looking at the approach of supporting social entrepreneurs working in local communities, called '**Unlocking local people potential to tackle local problems**'. Also in partnership, we have worked with RBS to develop and promote the **RBS Enterprise Tracker** which takes a quarterly poll of the population to look at trends in people's ambitions to start up, including starting something social. This has given the sector insight into ambition gap to start up a venture, including social enterprise and charities, and highlighted the particular trend to start something social amongst the younger population.

Our policy activity stepped up a gear in 2013-14 with four demonstrating and influencing projects which ran alongside our delivery programmes, focusing on ambitious social entrepreneurs, young social entrepreneurs, older social entrepreneurs, and social entrepreneurs working in their communities. This consisted of a range of activities including running a series of "socialfuture" participative policy events, joining and setting up lobbying groups, informing consultations with evidence, providing platforms for social entrepreneurs to speak to power, and meeting with senior policy makers. As a result we achieved a number of policy outcomes. These included; informing **Social Investment Tax Relief** and influencing the **CIC Regulator** to address barriers in use of their CIC limited by shares. We gained recognition from DWP of **Age Action Alliance**, as one of its most exciting progressive and active groups in the alliance, re-positioning older people as active agents who can help shape and meet the increasing demands of an aging population. We also worked with the Cabinet Office on their **Youth Social Action** consultation, ultimately enabling UnLtd to develop initiatives for young people as social entrepreneurs, for example with a follow on programme of support for young people taking part in National Citizenship Service to enable them to become social entrepreneurs. We worked with the Social Impact Investment Taskforce initiated by the G8, in particular through Chairing the Mission Alignment Working Group and participating in the UK National Advisory Group.

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Staffing

Over the past year, UnLtd has employed an average of 89 (full time equivalent) staff, compared to 79 (full time equivalent) in the previous year. All staff receive an on-going programme of training and development.

Outreach and Marketing

During the year we have brought our communications function back in house with a Director lead and the appointment of a Head of Communications who is now responsible for delivering Millennium Awards Trust and the externally funded communications needs of UnLtd.

We have made progress in making the communications process more efficient by consolidating marketing budgets from various programmes and placing them under the control of the Head of Communications for deployment as appropriate, and have established a strategic communications grid to capture corporate and programme-level communications requirements which has enabled us to plan and deliver our marketing, web, social media and PR activities, and allocate resources and budgets for maximum impact.

An Events and Communications Working Group comprising staff from across the organisation has been established to help co-ordinate and streamline events across programmes and regions, and maximise their impact and also achieve cost efficiencies. A press office function is in place.

Communications has supported the roll out of several new programmes to support our strategy of increasing our partnership working and purposeful award making, including Building Futures (social housing providers), Lead the Change (community and voluntary sector), UnLtd Care (health and social care sector), SEE Change (higher and further education) and our partnership with Santander (SEDA Fast Growth and Catalyst Awards).

During the year communications planned and delivered a major influencing and demonstrating campaign to celebrate young social entrepreneurs, staging a series of national and regional events. This culminated in the Living It Festival in May 2014, which was attended by more than 600 young social entrepreneurs and 43 partner and support organisations.

The focus of our communications work in the coming year will be to develop work on deliver a refreshed communications strategy to support the new business strategy, positioning UnLtd entrepreneurial change agent. This will include a national event for supporters in the autumn and a series of regional events. There will also be an overhaul of our corporate website and further development of our brand.

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c. Key Performance Indicators

During 2013-14 UnLtd developed 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.

Table 01: UnLtd KPI Dashboard

		Ambition			Achieved				
		Stretch	Met	Below	2011/12	2012/13	2013/14		
Reach out and unleash the energies of people	a) Are we doing enough?								
	a1) We support more social entrepreneurs to start	awards	>1100	1084	<900	641	1053	1637	
	a2) We support more social entrepreneurs to build and scale	awards	>130	122	<80	74	72	136	
	a3) Proportion of Awards by Partners	%				0%	23%	50%	
	b) Are we achieving our outcomes?								
	b1) SE's have more confidence to act for social change	% inc conf to act	>90%	85%	<75%	-	-	80%	
	c) Are we doing it well?								
c1) Direct Delivery: Award Winner High Satisfaction	% "good or excellent"	>90%	85%	<85%	-	82%	82%		
c2) Partnership Performance: Award Winner Satisfaction	% "good or excellent"	>90%	85%	<85%	-	-	85%		
To transform the world in which they live	d) What's the long term impact? i.e. the outcomes created by our Award Winners (AW's)								
	d1) Social Impact: Beneficiaries	med; mean	-	-	-	30	695	48	565
	d2) Economic impact: total jobs	total	-	-	-	-	566	-	405
	d3) Impact: Positive Social Capital	% Create	-	-	-	-	88%	-	86%
	d4) Impact: Social Innovation	% Create	-	-	-	-	-	-	49%
	d5) Raised aspiration in disadvantaged communities (dc). Proxy = AW's from dc	% of total	-	-	-	28%	35%	-	33%
Organisational Health				Acceptable Range	2011/12	2012/13	2013/14		
	f) Financials								
	f1) MAT vs. External income	% MAT	under 60%		47%	32%	27%		
	f2) Income Reserves: no of month of MAT expenditure	Months	more than 6 months		14.9	15.5	12.2		
	f3) Unrestricted Reserves: no of weeks of non MAT expenditure	weeks	Between 4 and 16 weeks		10.15	10.25	7.75		
	f4) Endowment Valuation as proportion of Real Value	%	Between 75% and 100%		83%	90%	95%		
	g) Income Generation and Development								
	g1) Income secured: Diversity of external funding	% largest three funders	below 75%		77%	81%	90%		
	h) Human Resources								
	h1) Turnover (Permanent staff only)	%	-		13%	32%	19%		
h2) Proportion of Permanent staff of total Headcount	%	-		50%	49%	51%			
h3) Energy Index	Index	-		-	69	76			

1 Blank cells are still in development. Cells with a hyphen highlight where data is not available/not applicable.

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Every month 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 2013-14

		UnLtd Award Making	
Scale		1 April 2012 to 31 March 2013	1 April 2013 to 31 March 2014
Awards made (direct)		865	888
Value of Awards		£ 3,134,963	£ 4,652,784
Average Award Size		£ 3,624	£ 5,240
New Expressions of Interest (EOIs) received		-	2351
New full applications received		1611	1405
Awards made by UnLtd Partners		231	655
Operational effectiveness (direct)		1 April 2012 to 31 March 2013	1 April 2013 to 31 March 2014
% EOIs invited to submit full application		21%	26%
% Applications successful		60%	66%
% Applications Rejected at Desk Assessment		29%	18%
Withdrawal Rate		23%	39%
Av. Application processing time		55 days	66 days
Reach (direct)		National statistics	1 April 2013 to 31 March 2014
% Female		51%	52%
% BME		12%	27%
Not having a % Degree or above		67%	53%
% Unemployed		8%	10%
Spread: % Reach across areas		-	79%
% Most deprived areas		29%	34%
Quality		1 April 2012 to 31 March 2013	1 April 2013 to 31 March 2014
% Satisfied with 1:1 support (direct)		82%	82%
% Satisfied with 1:1 support (partners)		84%	86%

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 Millennium Commission (2002).

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

	UnLtd Award Making (direct only via MAT and external funds)	
Category of Project (not Live Awards, multiple choice)	1 April 2012 to 31 March 2013	1 April 2013 to 31 March 2014
Children/Young People	13%	14%
Community Cohesion	28%	27%
Disabled People	4%	5%
Education	11%	12%
Environment	5%	6%
Ex-offenders	2%	2%
Health	11%	8%
Lone Parents	2%	3%
Mental Health	5%	6%
Older People	6%	6%
Other	3%	1%
Refugee/Asylum Seeker	1%	1%
Science	0%	1%
Sport	3%	2%
The Arts	6%	5%
Award Type	1 April 2012 to 31 March 2013	1 April 2013 to 31 March 2014
Try It	20%	27%
Do It	72%	62%
Build It	6%	6%
Fast Growth	1%	3%
Big Venture Challenge	1%	2%
Award Progress	1 April 2012 to 31 March 2013	1 April 2013 to 31 March 2014
% of Awards Try It from prior Awards	2%	2%
% of Awards Do It from prior Awards	4%	7%
% of Awards Build It from prior Awards	57%	52%
% of Awards Fast Growth from prior Awards	36%	28%
% of Awards Scaling from prior Awards	0%	22%
% of Awards Spark from prior Awards	0%	15%
Award Winners	1 April 2012 to 31 March 2013	1 April 2013 to 31 March 2014
% Female	51%	51%
% BME	36%	33%
% Disability	18%	8%
Under 16	6%	8%
16-17	8%	6%
18-24	23%	19%
25-34	16%	20%
35-49	27%	27%
50-64	16%	15%
65+	2%	2%
Undisclosed	1%	2%
Unsuccessful Applicants	1 April 2012 to 31 March 2013	1 April 2013 to 31 March 2014
% Female	51%	42%
% BME	33%	31%
% Disability	8%	8%
Spread: % Reach across areas	70%	61%
Under 16	0%	2%
16-17	1%	5%
18-24	8%	21%
25-34	27%	18%
35-49	39%	30%
50-64	23%	16%
65+	1%	2%
Undisclosed	1%	4%

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Grant Processing *	1 April 2012 to 31 March 2013	1 April 2013 to 31 March 2014
Grant commitment as % Grant available (in total)	100%	102%
Cost per application	£861	£1,057
Number of Frauds or Suspected Frauds	0	0

d. Notes on unreported items

% of individual Award Winners complete Awards:- 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

% 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. Average time taken to process grant claims from application to Award for 2013/14 was 66 days.

d. Financial review

Fundraising performance

The overall external restricted income has increased by 23.5 % to £8.8M. This increase was mainly the result of a number of new successful bids including Santander, JP Morgan, Esmee Fairbairn, Cabinet Office and Big Lottery (BVC II). In addition, UnLtd has continued to receive funding from existing external funders including Big Lottery Fund (Live), Comic Relief through its Sports Relief Programme, HEFCE and Big Local Trust.

Investment performance

Over the year to 31 March 2014, the value of the investment portfolio (after withdrawal) had gone up from £124.4M to £128.3M. This is £6.3M below the real value (the initial endowment adjusted for inflation) of £134.6M. Included within the overall portfolio was an income reserve of £5.7M (£6.8M as at March 2013).

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 6.43% (13.38% in 2013), above the increase in CPI of 2.29%.

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 improved 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 increased once again in the year and this has allowed another growth budget to be set for 2014/15 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 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.

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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 2013/14, the Foundation had a number of external sources of funding, most of which are restricted. These are outlined above in section 5b, Fundraising Performance.

As at 31 March 2014, the group has net current assets of £724K and reserves of £8.8M.

Any funds in deficit

No fund deficit to report.

e. Plans for future periods

Performance achieved against strategy

The 5 year strategy for UnLtd covers the period 2010 to 2015 and was refreshed in September 2013. The revised strategy is set out below.

Strategic plan

UnLtd developed a strategy agreed in autumn 2010 which covers the period 2010 to 2015. It is 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.

We believe that social entrepreneurship as an approach is beginning to move on from initial experimentation and growth to becoming a more rounded ecology of support. We believe the right role for UnLtd as the foundation in this field in the UK is 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 continue 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.

The key elements of our strategy are as follows:

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

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*We will focus 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 expect 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 will need 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

Outcomes

Our Impact	A world in which people act to make it better
Our direct outcomes: <i>We reach out and unleash the energies....</i>	<ul style="list-style-type: none"> • 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
<i>...of people who can transform the world in which they live</i>	<ul style="list-style-type: none"> • Creating social capital • Creating social impact
Our indirect outcomes: <i>...often also:</i>	<ul style="list-style-type: none"> • Creating economic impact • Creating social innovation • Raising aspiration in disadvantaged communities

Performance towards the strategic approaches in our 5 year strategy

<i>We will focus on three strategic approaches over the coming 5 years:</i>	
Backing people as social entrepreneurs in their communities	<ul style="list-style-type: none"> • UnLtd is a core partner in the 15 year Big Local Trust initiative for the 150 most disadvantaged areas in England • Market tests are underway through Higher and Further Education, schools, National Citizens Service, other youth initiatives, community organisations, social housing agencies and local authorities

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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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 commenced work in 2013 • Our new 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 • A pilot is underway to test the effectiveness of thematic programmes in our core Do It Awards
Acting as entrepreneurial change agent for social entrepreneurs , developing the environment for them to start well and thrive	<ul style="list-style-type: none"> • Ecosystem developments are underway with 150 disadvantaged communities, 70 universities, 29 FE colleges, cohorts of schools and youth groups, and social venture incubators/angel investors • Over 200 micro experiments are underway to test a more viral peer to peer approach • A data commons is being introduced across all our partners, in the UK and internationally 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 is advancing 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

Objectives for coming year

UnLtd is on course for strong achievement of our refreshed 5 year strategy.

We are working towards a future where support for social entrepreneurs is available and understood widely. Our direct support work is therefore accompanied by partnerships and sector development, amplifying the impact and building a sustainable ecosystem of support.

In this context, and following on from work completed in 2013/14, our objectives for the coming year are set out below. They are listed in three categories: Embed, for work already in progress; Deliver, for our ongoing commitments; and Design, for new initiatives.

Year plan 2014/15 – agreed by the Board March 2014 in line with the refreshed 5 year strategy		
	Priority	Objective
	Embed	
1	Embedding cultural change across the organisation	Instigate programme of professional development for frontline staff to ensure they are able to support all MAT Awards and innovative external programmes. Roll out performance management to all frontline staff. Create UnLtd Associates. Embed values for all staff.
2	Refining our new Awards	Implement actions as a result of product evaluation. Implement on-going mechanism for developing new and refining existing products.
3	Embed our working mechanisms for delivery	Refine and deliver our working mechanisms to deliver quality assurance across our partners . Move new ThankQ system onto the cloud, adding a web portal for

**THE FOUNDATION FOR SOCIAL ENTREPRENEURS (UnLtd)
TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2014**

	through partners	our partners Impact data and a new partner reporting function in place.
4	Embed the new ways of working for Trustees	Effective Governance and Governance-SMT working.
5	International	Establish our Global Social Entrepreneurship Network as a self-sustaining network.
6	Embed our new approaches for Young Social Entrepreneurs	Implement UnLtd's 2013 Young Social Entrepreneurs Strategy. Secure external resources to ensure UK wide coverage of young social entrepreneurs.
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.
8	Implement the Investment Review Strategy	Ensure the new management and systems needed as a result of investment review strategy are fully in place.
	Deliver	
9	Awards - Direct	Try It, Do It, Build It, Fast Growth, and BVC Awards.
10	Awards – to and through Partners	Try It, Do It and Build It Awards through 170 delivery Partners.
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.
12	Working with social entrepreneurs in their communities	Work with 15 progressive communities in Big Local areas.
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
14	Research and Evaluation	Deliver 10 evaluation reports, alongside research and internal evaluation of our products.
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.
16	Raising resources	Raising the resources required to deliver our core work and our developing strategy. £3m pa in additional contracts.
	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.
18	Create a bigger pipeline of social entrepreneurs with high	Design the training and skills needed across all delivery staff which equips them to develop the pipeline of ambitious social entrepreneurs.

**THE FOUNDATION FOR SOCIAL ENTREPRENEURS (UnLtd)
TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2014**

	potential to scale	
19	More infrastructure and support for ambitious social entrepreneurs	Design the "BVC3" programme. Gain more investment in the 'missing middle'.
20	Support to scale social entrepreneurs in the venture philanthropy space	Find a funding partner.
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.
22	Building a successful and sustainable business model for us as the entrepreneurial change agent	Enhance our capacity for programme and product design Position UnLtd as 'entrepreneurial change agent' which can develop into a future business model
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. Develop an R&D approach.
24	Organisation Development – meeting the future needs of our strategy's implementation	Design the organisation to achieve our new strategy. Retain and develop our staff talent and reduce large programme led turnover.
25	Communications	New communications strategy signed off. Reposition UnLtd in line with our strategy.

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 2013/2014 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

**THE FOUNDATION FOR SOCIAL ENTREPRENEURS (UnLtd)
TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2014**

- 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

UnLtd's governance has changed significantly in the last year, as a Special Resolution was agreed 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. We expect further change through retirement of long serving Trustees and appointment of new Trustees, and also as our Protector reaches a 3 yearly point of renewal in early 2015. Our risk appetite in this area is low. We are therefore recruiting new Trustees early to ensure continuity, selecting them rigorously through advert, search and filtering, all led by our Nominations, Remuneration and Governance Committee, and providing a thorough induction and immersion to new appointees. A review of Committee structures and memberships is also planned for late 2014. Trustee and senior staff views were surveyed in early 2014 by an expert consultant to provide insight into development priorities, and we expect to repeat this survey in 2015.

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.

**THE FOUNDATION FOR SOCIAL ENTREPRENEURS (UnLtd)
TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2014**

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 for that period.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- 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.

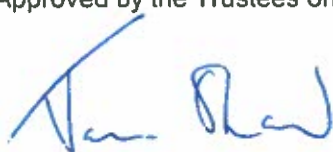
The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdiction.

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 15 September 2014 and signed on their behalf by:



**Trustee
Jason Shaw**

**THE FOUNDATION FOR SOCIAL ENTREPRENEURS (UnLtd)
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE FOUNDATION FOR SOCIAL
ENTREPRENEURS (UNLTD)
FOR THE YEAR ENDED 31 MARCH 2014**

**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 2014 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 2014, 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.

**THE FOUNDATION FOR SOCIAL ENTREPRENEURS (UnLtd)
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE FOUNDATION FOR SOCIAL
ENTREPRENEURS (UNLTD)
FOR THE YEAR ENDED 31 MARCH 2014**

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

Ian Mathieson, Senior Statutory Auditor
for and on behalf of BDO LLP, Statutory Auditor

London

United Kingdom

Date: *24 September 2014*

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 2014

	<u>Notes</u>	<u>Unrestricted Funds</u> £	<u>Restricted Funds</u> £	<u>Endowment Funds</u> £	<u>Total 2014</u> £	<u>Total 2013</u> £
Incoming resources						
Voluntary income	2	34,449	8,802,092	-	8,836,541	7,133,142
Investment income	3	3,329,862	-	-	3,329,862	3,294,945
Income from charitable activities	20	-	190,000	-	190,000	-
Less share of joint venture income ²⁰		-	(190,000)	-	(190,000)	-
Income from trading activities	4	33,738	-	-	33,738	15,758
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total incoming resources		3,398,049	8,802,092	-	12,200,141	10,443,845
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Resources expended						
Cost of generating funds		-	-	156,810	156,810	120,986
Trading activities in subsidiaries	4	14,998	-	-	14,998	13,227
Charitable expenditure:						
Grants payable	5	2,622,497	3,056,994	-	5,679,491	4,431,350
Costs of support to Awardees	6	2,602,443	3,444,447	-	6,046,890	5,156,809
Governance	7	184,589	(5,952)	-	178,637	164,304
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total resources expended		5,424,527	6,495,489	156,810	12,076,826	9,886,676
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net incoming/(outgoing) resources before other recognised gains and losses		(2,026,478)	2,306,603	(156,810)	123,315	557,169
Other recognised gains and losses:						
Gains/(Losses) on investments		(141,477)	-	4,983,864	4,842,387	11,799,985
Gains/(Losses) on joint venture		-	(218,479)	-	(218,479)	-
Transfer between funds		4,282,607	(1,860,762)	(2,421,845)	-	-
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net movement in funds		2,114,652	227,362	2,405,209	4,747,223	12,357,154
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 1st April		1,473,563	4,954,945	117,645,068	124,073,576	111,716,422
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31st March		3,588,215	5,182,307	120,050,277	128,820,799	124,073,576
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

All amounts derive from continuing activities.

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

The accompanying notes on pages 45 to 55 form part of these financial statements.

THE FOUNDATION FOR SOCIAL ENTREPRENEURS (UnLtd)
BALANCE SHEETS
AT 31 MARCH 2014

Company number: 4180639

	<u>Notes</u>	<u>2014</u> <u>UnLtd</u> £	<u>2014</u> <u>Group</u> £	<u>2013</u> <u>UnLtd</u> £	<u>2013</u> <u>Group</u> £
Fixed assets					
Tangible assets	8	12,213	882,211	24,400	899,400
Investments	9	-	128,286,595	-	124,414,978
Share of joint venture gross assets	20	-	397,157	-	-
Share of joint venture gross liabilities	20	-	(615,634)	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
		12,213	128,950,328	24,400	125,314,378
		<hr/>	<hr/>	<hr/>	<hr/>
Current assets					
Debtors	10	4,317,195	987,585	5,064,876	864,834
Cash at bank and in hand		2,632,814	3,066,991	1,343,379	1,471,005
		<hr/>	<hr/>	<hr/>	<hr/>
		6,950,009	4,054,576	6,408,255	2,335,839
Creditors: amounts falling due within one year	11	590,474	3,330,664	559,937	2,632,836
		<hr/>	<hr/>	<hr/>	<hr/>
Net current assets/(liabilities)		6,359,535	723,913	5,848,318	(296,997)
		<hr/>	<hr/>	<hr/>	<hr/>
Total assets less current liabilities		6,371,748	129,674,241	5,872,718	125,017,381
Creditors: amounts falling due after more than one year	12	-	853,442	-	943,805
		<hr/>	<hr/>	<hr/>	<hr/>
Total net assets		6,371,748	128,820,799	5,872,718	124,073,576
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Funds					
Endowment	13	-	120,050,277	-	117,645,068
Restricted funds		5,400,786	5,182,307	4,954,945	4,954,945
Unrestricted funds		970,962	3,588,215	917,773	1,473,563
		<hr/>	<hr/>	<hr/>	<hr/>
		6,371,748	128,820,799	5,872,718	124,073,576
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes on pages 45 to 55 form part of these financial statements.

Approved by the Trustees, authorised for issue on 15 September 2014 and signed on their behalf by:

Trustee
Jason Shaw

**THE FOUNDATION FOR SOCIAL ENTREPRENEURS (UnLtd)
CONSOLIDATED CASHFLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2014**

	<u>2014</u> £	<u>2013</u> £	
Cash inflow/(outflow) from operating activities			
Net incoming/(outgoing) resources	123,315	557,169	
Investment income earned	(3,329,862)	(3,294,945)	
Loan interest charges	13,394	14,589	
Depreciation of tangible fixed assets	17,189	21,623	
(Increase)/decrease in debtors	(122,751)	392,043	
Increase/(decrease) in creditors	696,616	424,705	
	<hr/>	<hr/>	
Net cash (outflow) from operating activities	(2,602,099)	(1,884,816)	
	<hr/>	<hr/>	
Returns on investments and servicing of finance			
Investment income received	3,329,862	3,294,945	
Interest paid	(13,394)	(14,589)	
	<hr/>	<hr/>	
	3,316,468	3,280,356	
	<hr/>	<hr/>	
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets	-	(36,568)	
Net (payments)/receipts - fixed asset investments	970,767	(451,900)	
	<hr/>	<hr/>	
	970,767	(488,468)	
	<hr/>	<hr/>	
Net cash inflow/(outflow) before financing	1,685,136	907,072	
Financing			
Loan repayments	(89,150)	(87,956)	
	<hr/>	<hr/>	
Increase/(decrease) in cash in the year	1,595,986	819,116	
	<hr/> <hr/>	<hr/> <hr/>	
Analysis of changes in net funds			
	At 31 March <u>2013</u> £	<u>Cashflow</u> £	At 31 March <u>2014</u> £
Cash at bank and in hand (including short term deposits)	1,471,005	1,595,986	3,066,991
Loan	(1,032,955)	89,150	(943,805)
	<hr/>	<hr/>	<hr/>
	438,050	1,685,136	2,123,186
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**THE FOUNDATION FOR SOCIAL ENTREPRENEURS (UnLtd)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

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

Income is accounted for on a receivable basis. Income relating to future periods is deferred.

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 unrestricted fund which includes the income arising from investments as this reflects the investment objectives.

**THE FOUNDATION FOR SOCIAL ENTREPRENEURS (UnLtd)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

Joint venture

The Group's share of its joint venture is included in the Group's SOFA and balance sheet under the gross equity method of accounting.

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.

THE FOUNDATION FOR SOCIAL ENTREPRENEURS (UnLtd)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

2 Funds Analysis

Restricted Funds	Fund balance At 1 April 2013 £	Incoming resources £	Outgoing resources £	Fund Transfers & investment gains/(losses) £	Fund balance at 31 March 2014 £
Big Lottery Fund - Live	647,815	935,305	1,256,457	(200,000)	126,663
Big Lottery Fund – BVC I	313,640	207,389	477,315	(43,714)	-
Big Lottery Fund – BVC II	4,833	2,334,828	1,455,374	(22,328)	861,959
Big Local Trust – Star people	767,349	1,225,737	1,188,135	(285,332)	519,619
Atlantic Philanthropies	49,466	-	5,681	(43,785)	-
Esmee Fairbairn	-	104,067	8,396	(8,054)	87,617
NESTA - IRF	21,897	-	-	(21,897)	-
Comic Relief	1,106,653	495,167	695,929	(514,712)	391,179
Steve Redgrave Fund	61,192	-	20,672	-	40,520
Youth – Other	27,730	85,644	26,779	-	86,595
HEFCE	445,245	1,549,727	840,462	(503,848)	650,662
Cabinet Office – Wayra UnLtd	837,575	371,027	(8,788)	(17,500)	1,199,890
Cabinet Office – Youth	-	343,491	50,045	(1,650)	291,796
Cabinet Office – Venture	-	163,800	40,000	(20,766)	103,034
Neighbourhood challenge	62,571	-	-	(62,571)	-
Affinity Sutton	49,979	-	-	(49,979)	-
Santander I	473,805	-	132,288	(38,004)	303,513
Santander II	-	426,751	-	(11,470)	415,281
JP Morgan	-	232,703	-	(9,148)	223,555
Global networks	-	130,500	62,454	(9,651)	58,395
Pro bono networks	-	97,129	50,553	(6,068)	40,508
Other	85,195	98,827	193,737	9,715	-
Sub-total	4,954,945	8,802,092	6,495,489	(1,860,762)	5,400,786
Wayra UnLtd (joint venture)	-	-	218,479	-	(218,479)
Total Restricted Funds	4,954,945	8,802,092	6,713,968	(1,860,762)	5,182,307
Endowment Funds	117,645,068	-	156,810	2,562,019	120,050,277
Unrestricted Funds	1,473,563	3,398,049	5,424,527	4,141,130	3,588,215
Total Funds	124,073,576	12,200,141	12,295,305	4,842,387	128,820,799

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.

**THE FOUNDATION FOR SOCIAL ENTREPRENEURS (UnLtd)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

3 Incoming resources

	<u>Unrestricted</u> £	<u>Restricted</u> £	<u>2014</u> <u>Total</u> £	<u>2013</u> <u>Total</u> £
Investment income	3,329,862	-	3,329,862	3,294,945

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.

	<u>2014</u> <u>Total</u> £	<u>2013</u> <u>Total</u> £
Turnover	33,738	15,758
Expenditure	14,998	13,227
Profit before gift aid	18,740	2,531
Gift aid to UnLtd	18,740	2,531
Retained in subsidiary	-	-

5 Charitable expenditure – grants payable

	<u>Awarded</u> <u>in year</u> £	<u>Outstanding at</u> <u>31 March 2014</u> £
Charitable expenditure - Grants payable		
Try It grant payable Awards to 290 individuals (2013 – 174)	113,430	15,190
Do It grant payable Awards to 718 individuals (2013 – 773)	2,250,206	1,508,794
Build It grant payable Awards to 125 individuals (2013 – 114)	1,278,355	113,161
Fast Growth grant payable Awards to 44 individuals (2013 – 14)	2,037,500	895,000

THE FOUNDATION FOR SOCIAL ENTREPRENEURS (UnLtd)
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5,679,491

2,532,145

6 Charitable expenditure – costs of support to awardees

	<u>2014</u>	<u>2013</u>
	£	£
Salaries	3,567,701	3,142,104
Premises	308,644	362,426
IT	227,119	177,102
Events	272,465	167,236
Travel	424,989	350,003
Marketing	640,258	711,335
Depreciation	17,189	21,623
Grants to delivery partners for support of awardees	519,540	176,396
Other	68,985	48,584
	6,046,890	5,156,809
	6,046,890	5,156,809

7 Charitable expenditure – governance costs

	<u>2014</u>	<u>2013</u>
	£	£
Salaries	80,512	73,518
Trustees expenses	3,987	2,350
Legal	4,177	30,112
External audit	28,740	25,680
Internal audit	21,640	27,396
Other	39,581	5,248
	178,637	164,304
	178,637	164,304

(External audit fees net of VAT = £23,950)

(Legal costs include a refund relating to restricted expenditure)

THE FOUNDATION FOR SOCIAL ENTREPRENEURS (UnLtd)
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8 Tangible fixed assets (Consolidated)

	<u>Land</u> £	<u>Building</u> £	<u>Computer and IT</u> £	<u>Furniture and fixtures</u> £	<u>Total</u> £
Cost					
At 1 April 2013	800,000	125,000	206,107	549,153	1,680,260
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2014	800,000	125,000	206,107	549,153	1,680,260
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation					
At 1 April 2013	-	50,000	181,707	549,153	780,860
Disposals	-	-	-	-	-
Charge for the year	-	5,000	12,189	-	17,189
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2014	-	55,000	193,896	549,153	798,049
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book values					
At 31 March 2014	800,000	70,000	12,211	-	882,211
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 March 2013	800,000	75,000	24,400	-	899,400
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

8 Tangible fixed assets (UnLtd)

	<u>Computer and IT</u> £	<u>Furniture and fixtures</u> £	<u>Total</u> £
Cost			
At 1 April 2013	199,470	13,058	212,528
Additions	-	-	-
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 March 2014	199,470	13,058	212,528
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 April 2013	175,070	13,058	188,128
Disposals	-	-	-
Charge for the year	12,187	-	12,187
	<hr/>	<hr/>	<hr/>
At 31 March 2014	187,257	13,058	200,315
	<hr/>	<hr/>	<hr/>
Net book values			
At 31 March 2014	12,213	-	12,213
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 March 2013	24,400	-	24,400
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**THE FOUNDATION FOR SOCIAL ENTREPRENEURS (UnLtd)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

9 Investments	Unrestricted funds £	Endowment funds £	Total £
Market value at 31 March 2013	6,769,910	117,645,068	124,414,978
Net unrealised/realised investment gains	(141,477)	4,983,864	4,842,387
Investment income earned	3,329,862	-	3,329,862
Investment income drawdown	(4,192,740)	-	(4,192,740)
Investment charges deducted	-	(107,892)	(107,892)
Transfer between funds*	2,421,845	(2,421,845)	-
	<hr/>	<hr/>	<hr/>
Market value at 31 March 2014	8,187,400	120,099,195	128,286,595
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

*represents the transfer of investment management fees previously charged to unrestricted funds to reflect the board's decision to charge such costs directly against the endowment fund as permitted by the Charities SORP. Such treatment is not precluded by the charity's trust deed.

Asset allocation:

GSAM – Sterling Credit Fund (duration hedged)	15,599,373
GSAM – High Yield	8,802,801
GSAM – Sterling Broad Fund	1,831,860
GSAM – Emerging Markets Debts	8,618,034
Charities Property Fund	9,334,660
Pictet – Timber Fund	3,150,359
Dimensional – Global Core Fund	26,277,790
Dimensional – Emerging Markets Equity	26,130,662
THS – International Growth Fund	28,541,056
	<hr/>
Market value at 31 March 2014	128,286,595
	<hr/> <hr/>

All investments are held by the Millennium Awards Trust.

10 Debtors	UnLtd 2014 £	Group 2014 £	UnLtd 2013 £	Group 2013 £
Trade debtors	69,954	135,044	213,420	213,420
Prepayments and accrued income	809,294	809,693	606,493	606,493
Other debtors	42,848	42,848	44,921	44,921
Amounts due from subsidiary undertakings	3,395,099	-	4,200,042	-
	<hr/>	<hr/>	<hr/>	<hr/>
	4,317,195	987,585	5,064,876	864,834
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**THE FOUNDATION FOR SOCIAL ENTREPRENEURS (UnLtd)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

11 Creditors: amount falling due within one year

	<u>UnLtd</u> <u>2014</u> £	<u>Group</u> <u>2014</u> £	<u>UnLtd</u> <u>2013</u> £	<u>Group</u> <u>2013</u> £
Trade creditors	339,053	355,503	150,949	165,599
Awards accruals	-	2,532,145	-	1,912,877
Accruals and deferred income	150,385	240,234	308,690	364,806
Other taxes and social security	86,018	97,402	87,603	87,709
Other creditors	15,018	15,018	12,695	12,695
Loan (see note 12)	-	90,362	-	89,150
	<hr/>	<hr/>	<hr/>	<hr/>
	590,474	3,330,664	559,937	2,632,836
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

12 Creditors: amounts falling due after more than one year

	<u>Group</u> <u>2014</u> £	<u>Group</u> <u>2013</u> £
Loan from Triodos Bank:		
Amounts falling due:		
After one year and before two years	91,589	90,362
After two years and before five years	282,301	278,518
After more than five years	479,553	574,925
	<hr/>	<hr/>
	853,443	943,805
Within one year (see note 11)	90,362	89,150
	<hr/>	<hr/>
	943,805	1,032,955
	<hr/> <hr/>	<hr/> <hr/>

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.

**THE FOUNDATION FOR SOCIAL ENTREPRENEURS (UnLtd)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

14 Net Assets Fund Analysis

	Unrestricted £	Restricted £	Endowment £	Total £
Fixed assets	882,211	-	-	882,211
Investments	8,236,318	-	120,050,277	128,286,595
Share of joint venture (liabilities)	-	(218,478)	-	(218,478)
Net current assets/(liabilities)	(4,676,872)	5,400,785	-	723,913
Long term creditors	(853,442)	-	-	(853,442)
	<u>3,588,215</u>	<u>5,182,307</u>	<u>120,050,277</u>	<u>128,820,799</u>

15 Staff numbers and costs

	<u>2014</u> £	<u>2013</u> £
Salaries	3,115,017	2,747,774
Social security costs	331,256	293,889
Pensions	90,640	58,884
	<u>3,536,913</u>	<u>3,100,547</u>
 Average weekly number of employees during the period calculated on full time equivalent basis was:	 89	 79
 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	1	2
£70,001 to £80,000 per annum	1	-
£80,001 to £90,000 per annum	1	-
£110,001 to £120,000 per annum	1	1

Trustees received no remuneration but total expenses of £3,987 on travel and training were reimbursed to 8 Trustees (2013 - £2,350 reimbursed to 6 Trustees) and £2,226 was payable for Trustee indemnity (2013 - £2,120) insurance during the reporting period. Protector fees of £5,000 (2013 - £5,000) were payable.

**THE FOUNDATION FOR SOCIAL ENTREPRENEURS (UnLtd)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

16 Operating lease commitments

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

	<u>Expiry date</u>	<u>Total</u> £
Birmingham	December 2014	15,453
Bradford	June 2015	12,600
		<hr/>
		28,053
		<hr/> <hr/>

17 Other disclosures

	<u>2014</u> £	<u>2013</u> £
Operating lease rentals – land and buildings	78,922	70,939
Interest payable on bank loans	13,394	14,589
	<hr/>	<hr/>

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 disclosures". There have been no related party transactions in the year.

**THE FOUNDATION FOR SOCIAL ENTREPRENEURS (UnLtd)
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20 Investment in joint venture – Wayra UnLtd

UnLtd also participated in Wayra UnLtd, a company limited by shares owned 50:50 by Wayra UK and UnLtd created to run for a minimum period of two years and set to support a cohort of 30 tech-based social ventures at start-up stage, 10 every eight months. Each cohort member will receive £40,000 for approximately 10% of their shares. 50% of any profits made from any sale of this investment will be protected. They will be recycled into Wayra UnLtd if made during the first four years, thereafter into Telefonica's CSR activities. The Board of Wayra UnLtd will consist of one representative from Wayra UK, one from UnLtd and one independent member. The net loss reported in the period is expected to be reversed when Wayra UK's contributions are booked through the joint venture's accounts. The first cohort were found and incubated during the accounting period, results below.

	<u>2014</u> £
Share of net assets	
Fixed assets	680,539
Current assets	113,772
	794,311
Gross assets	794,311
Creditors	(1,231,268)
	(436,957)
Net assets	(436,957)
Share of net assets	(218,479)
	(218,479)
Share of net results	
Revenue	380,000
Operating expenses	(852,091)
Taxation	35,134
	(436,957)
Profit / (loss) for the year	(436,957)
Share of net results	(218,479)
	(218,479)