

TRUSTEES' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

THE FOUNDATION FOR SOCIAL ENTREPRENEURS
(Trading as UnLtd)

Charity No. 1090393
Company No. 4180639

MILLENNIUM AWARDS TRUST

Charity No. 1095749

UNLTD SCOTLAND

Company No. SC475273

FSE MANAGEMENT SERVICES LTD
(Company limited by guarantee)

Company No. 6841529

UNLTD IMPACT SUPPORT COMPANY LTD

Company No. 10951754

UNLTD VENTURE GROWTH SUPPORT LTD

Company No. 11568325

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

**THE FOUNDATION FOR SOCIAL ENTREPRENEURS (UnLtd)
TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2021**

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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

This report details the 2020-21 activities of the Foundation for Social Entrepreneurs (UnLtd) and its subsidiary charities and companies, the Millennium Awards Trust, UnLtd Scotland, FSE Management Services Ltd, UnLtd Impact Support Company Ltd, and UnLtd Venture Growth Support Ltd.

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

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

UnLtd Scotland is a company limited by guarantee in Scotland and is a subsidiary of UnLtd. Since 2016, staffing support for awards delivered in Scotland has been provided by this company.

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

UnLtd Impact Support Company Ltd is a company limited by share capital and was incorporated on 7 September 2017. The sole shareholder of the company is UnLtd. UnLtd Impact Support Company Ltd exists to provide much needed repayable finance to social ventures.

UnLtd Venture Growth Support Ltd is a company limited by share capital and was incorporated on 13 September 2018. The sole shareholder- of the company is UnLtd. UnLtd Venture Growth Support Ltd exists to provide accessible and inclusive growth capital to social ventures.

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LEGAL AND ADMINISTRATIVE INFORMATION

Trustees of the Foundation for Social Entrepreneurs (UnLtd)

Name	Appointment date	Resignation date (if applicable)
Amma Mensah	4 June 2018	
Anne Glover	4 June 2018	
Elizabeth Sideris	5 June 2017	
Gary Stewart	2 June 2021	
Gillian Gamble	3 June 2020	
James Lawson	5 June 2017	
Krishna Vishnubhotla	5 June 2017	
Mahamed Hashi	2 June 2021	
Naveed Parvez	3 June 2020	
Nicholas Farhi (Chair)	9 June 2014	
Nick Petford	8 June 2015	2 June 2021
Rachel Barton (Vice-Chair)	5 June 2017	
Tim Davies-Pugh	5 June 2017	2 June 2021

Committees

Finance and Audit Committee	Investment Committee	Nominations, Remuneration and Governance Committee	Strategy and Development Committee	Awards and Delivery Committee***	Boards of UnLtd Impact Support Company Ltd and UnLtd Venture Growth Support Ltd
Krishna Vishnubhotla (Chair)	Anne Glover (Chair)	Elizabeth Sideris (Chair)	Rachel Barton (Chair)	Tim Davies-Pugh (Chair)	Krishna Vishnubhotla
James Lawson	James Lawson (Vice Chair)	Nic Farhi	Gary Stewart	Elizabeth Sideris	Tim Davies-Pugh (<i>resigned June 2021</i>)
Mahamed Hashi	Nick Petford (<i>will remain as a co-opted member</i>)	Naveed Parvez	Naveed Parvez	Amma Mensah	Mark Norbury**
Nick Petford (<i>resigned June 2021</i>)	Nick Measham *			Gillian Gamble	Raymond Tran**
Nick Brooks *	Hosein Khajeh-Hosseiny *			Hayley Collen *	Francesca Sanderson*
	David Lindstrom *				

* Non-Trustees

** UnLtd staff

*** This committee was disbanded in March. More details on replacement committees are below.

UnLtd has established 2 new committees to replace the Awards and Delivery Committee (ADC).

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The MAT Awards Committee (MATAC) is focused on the review and approval of Millennium Award applications; in addition to reviewing applications to assess their potential, particularly across impact, inclusivity, and sustainability, members also ensure that all award decisions are made in line with the requirements of the MAT Trust Deed.

The Social Entrepreneur Support Committee (SESC) governs UnLtd's support to social entrepreneurs, providing guidance, challenge and expertise to help shape and design a support offer that is impactful, inclusive, and tailored to social entrepreneurs' needs.

Both committees' memberships are composed of trustees and co-opted committee members, who each bring significant and direct experience of social entrepreneurship. Please see below.

MAT Awards Committee**	Social Entrepreneur Support Committee
Nic Farhi (Chair)	Amma Mensah (Chair)
Gillian Gamble	Elizabeth Sideris
Dolly Padalia*	Mahamed Hashi
Samantha Evans*	Nic Farhi
	Elizabeth Douglas*
	Samantha Evans*

*Non-Trustees

** Trustees who aren't members will sit on this committee in rotation, with 1 attending each meeting

Chief Executive Officer

Mark Norbury

Trustee of the Millennium Awards Trust

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

Protector of the Millennium Awards Trust

The Protector of the Millennium Awards Trust is Lady Justice Carr DBE, who was formally appointed on 27 January 2021 by the Secretary of State for Digital, Culture, Media, and Sport.

The Protector's current term of office will end on 26 January 2024.

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

Independent Auditors

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

Internal Auditors

BDO LLP
150 Aldergate Street
London
EC1A 4AB

Bankers

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

Triodos Bank
Brunel House
11 The Promenade
Bristol
BS8 3NN

Solicitors

Bates, Wells and Braithwaite
10 Queen Street Place
London
EC4M 6YH

Investment Managers

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

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

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

Goldman Sachs Asset Management
Plumtree Court
25 Shoe Lane
London
EC4A 4AU

GMO UK Limited
No 1 London Bridge
London
SE1 9BG
SW15 5JL

Wellington Management International
Cardinal Place
80 Victoria Street
London

GuardCap Asset Management
6th Floor, 11 Charles II Street,
London
SW1Y 4NS

HICL
12 Charles II Street
London
SW1Y 4QU

THE FOUNDATION FOR SOCIAL ENTREPRENEURS (UnLtd) TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2021

INTRODUCTION AND OVERVIEW

We are UnLtd, the foundation for social entrepreneurs. In the past financial year (2020-21), we have watched social entrepreneurs across the country prove their extraordinary resilience as they adapted their services to respond to the coronavirus pandemic.

Some became food banks and mutual aid hubs, others created online spaces for the most vulnerable, many nurtured communities' wellbeing when institutional structures were shut or overwhelmed. They did so while continuing to build their own futures and while experiencing their own pandemic losses. Many lost most of their income overnight. Social entrepreneurs have again shown that they have a critical role to play in the UK's recovery if we are to create a fairer and healthier society.

As an organisation, we too have weathered extraordinary change. In March we shifted our staff of 70 to a remote working environment but we continued working at pace over the course of the year - we backed 650+ social entrepreneurs, giving out over £13 million in funding, providing real-time, in-depth support and running over 170 online workshops. We put aside our usual methods, overcame logistical constraints and worked across the sector to get social entrepreneurs what they needed. We launched the £19.8 million Social Enterprise Support Fund, thanks to players of the National Lottery, with Big Issue Invest, Key Fund, Resonance and the School for Social Entrepreneurs, offering emergency funding when it was most needed. And we helped social entrepreneurs to begin looking to the future through the £5 million Inclusive Recovery Fund, backed by Comic Relief and the Department for Digital, Culture, Media and Sport as part of the Government's Community Match Challenge.

As a result of these efforts, we were able to raise an exceptional £17.8M for our social entrepreneurs. While much of this went out through our grant funds, there was also support for UnLtd's future plans, which gives us welcome longer term coverage of our funding needs and ambitions.

Alongside these critical initiatives, we revamped our application process and brought in a more equitable approach to grant making. Following the summer's Black Lives Matter protests, we looked hard at our own approach to inclusion and made new commitments (eg, decision panels for our Covid response funds led by social entrepreneurs) while strengthening existing efforts (eg, over 50% of both funds going to Black Asian, minority ethnic and/or disabled entrepreneurs). And we worked hard to amplify social entrepreneurs' voices as we called on Government to better meet their needs, now and in the future.

As 2021 arrived, we stepped back to envision what needs to happen for social entrepreneurs in the UK to be thriving by 2025. We enter this next year with bold ambitions supported by a strong operational and financial plan.

We have never been more certain that social entrepreneurs are a cornerstone of a just society and sustainable economy. After this most challenging of years, we renew our commitment to fight for and support our social entrepreneurs to create the changes we all need as we build a better world.

Nicholas Farhi
Chair of the Board of Trustees

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1. STRUCTURE, GOVERNANCE, AND MANAGEMENT

Nature of governing document

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

How Trustees are recruited and appointed

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

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

Policies and procedures for induction and training of Trustees

UnLtd has a standard induction and training programme for all new Trustees. This includes meetings with UnLtd's Executive Team and the Board of Trustees, visits with UnLtd award winners, and a detailed induction pack. Trustees are encouraged to take up the opportunity to attend relevant external training courses and conferences, and also to participate in pitching days and selection panels.

Organisational structure

To deliver the type and amount of funding and support we want to be able to provide to social entrepreneurs, we reshaped the organisation's structure in Spring 2020. Our new structure is as follows:

- The CEO provides overall leadership for UnLtd within the strategy and policy framework developed by the Board and is responsible to the Board for the achievement of UnLtd's mission and goals.
- The Social Entrepreneur Support directorate provide market-leading and inclusive support to the UK's most impactful social entrepreneurs.
- The Delivery and Investment directorate address and remove the barriers to growth social entrepreneurs face by providing the right investment, specialist advice, routes to market, and impact support.
- The Impact and Influence directorate work to make the UK the best place to be a social entrepreneur, by learning from and evidencing the value of, social entrepreneurs, giving them voice to influence change, and creating an enabling ecosystem for them.
- The Corporate Services directorate run an agile, inclusive, and well-governed organisation.

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

Trustee oversight

UnLtd's CEO and team are accountable to its Board of Trustees. The Board set the overarching strategic approach and policy framework within which UnLtd operates. Trustees have a responsibility to act collectively to ensure the proper administration of the Charity. They must safeguard the assets of the Charity to ensure that these assets and resources are only used in furtherance of the objects of the Charity. They have regard to the Charity Commission's requirements, including their guidance on public benefit. Trustees must act in the best interests of the Charity and must avoid any conflict between their personal or outside interests and those of the Charity.

UnLtd's internal governance is strong and we are committed to continuous improvement. The Board has committed to following the principles and standards laid out in the Charity Commission's Charity

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Governance Code (launched in 2017), in a process led by the by the Nominations, Remuneration, and Governance Committee. Periodic review of our policies and systems will highlight any areas for particular attention.

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

- Establishing and monitoring effective governance structures
- Establishing clear policies and guidelines
- Employing competent and professional staff and advisers

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

- Regular business and standing items including declarations of interest, minutes, matters arising, and the Chief Executive's Report, which describes strategic activity and seeks approval for proposed developments.
- Strategic papers inviting discussion and decisions from the Board.
- Quarterly reports from the all Board Committees.
- Regular reports from UnLtd's subsidiary companies.
- Regular reports on key performance indicators and impact measures.

3. Annually the Board of Trustees approves:

- 3-Year Plan
- Annual Budget
- Annual Risk Management Strategy

Every three to five years the Board of Trustees approves a long-term strategy for UnLtd, which it did in 2020. Every five years the Board considers a full investment review. The investment was last conducted in February 2019.

The maintenance of effective Internal Control is the responsibility of the Chief Executive for which he is accountable to the Board through the Finance and Audit Committee. 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 has appointed two separate professional firms as External and Internal Auditors. Both advise the Finance and Audit Committee and report directly to Trustees.

UnLtd strives to have the highest standards and has agreed a programme of Internal Audit with its Finance and Audit Committee and Internal Auditors. The Internal Auditors report to the Finance and Audit Committee.

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

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Connections with a global network

UnLtd incubated the Global Social Entrepreneurship Network (GSEN) in partnership with the UK Cabinet Office in 2012. GSEN's vision was that early-stage social entrepreneurs, no matter where they are in the world, should be able to access the support they need to thrive. GSEN had a membership of 60 organisations – all supporters of social entrepreneurs - across 70 countries at its 2017 peak.

2020 was a year of Covid-related challenges, adaptation and reflection for GSEN. After it became apparent that there was not the funding or membership income needed to sustain operations in the medium term, the GSEN Board made the difficult decision to wind down the network, with operations ceasing in April 2021.

We hope and believe that former member organisations will continue to collaborate, connect and learn albeit on a less formal footing. Ahead of the network's closure, GSEN's lead worked with members to prepare a legacy report and framework for how intermediaries, funders and investors could and should create ecosystems in which social entrepreneurs can thrive.

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2. OBJECTS AND ACTIVITIES

Objects of the Charity

The Foundation for Social Entrepreneurs operates under the trading name UnLtd, and is the parent company of the following entities:

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

The objects of the Foundation for Social Entrepreneurs are:

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

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.

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

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

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

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

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

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

The Protector of the Millennium Awards Trust is entitled at any time (after having obtained advice) to appoint an additional Trustee or Trustees to act jointly with the Trustee (the Foundation for Social Entrepreneurs (UnLtd)) or to remove any Trustee (including the Trustee) and appoint new Trustees if he/she 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 National Lottery Community Fund, the Charity Commission and, where the Protector considers it appropriate, the Secretary of State for Digital, Culture, Media, and Sport.

The Protector of the Millennium Awards Trust is Lady Justice Carr DBE, who was appointed on 27 January 2021 by the Secretary of State for Digital, Culture, Media, and Sport. The Protector's term will

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end on 26 January 2024.

The Protector succeeded Patrick Harrington QC, whose term formally ended on 26 January 2021. We'd like to thank Mr Harrington for his committed expertise and counsel over the preceding 18 years – it has been a pleasure to have such an experienced and collegial individual as the Protector.

The Protector is entitled to receive from the Trust:

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

In 2020-21, the incumbent Protector received the agenda and papers all Board meetings of UnLtd, UnLtd Scotland, and the Millennium Awards Trust. The Chief Executive meets with the Protector monthly.

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

UnLtd Scotland

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

FSE Management Services Ltd

The object of the company is to conduct business as a general commercial company to procure profits and gains for the purposes of paying them to The Foundation for Social Entrepreneurs (UnLtd) or any other charitable body which succeeds to its charitable purposes.

UnLtd Impact Support Company

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

UnLtd Venture Growth Support

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

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Charity's aims

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

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

UnLtd raises further funds to support a wider pool of social entrepreneurs and to help them maximise their impact, sustainability, and scale. In addition to providing direct support, we use this funding to address the barriers these social entrepreneurs face as they grow, contributing to the creation of an enabling environment where enterprising people are able to transform our society for good.

In pursuing our mission, UnLtd's Board of Trustees has regard to the Charity Commission's general guidance on public benefit. UnLtd creates public benefit by developing social leaders and supporting them to achieve large scale social and economic impact. We are committed to understanding the impact of our social entrepreneurs and improving the quality of our support. Our findings are highlighted in our review of our impact and Key Performance Indicators (on page 22), which demonstrate the benefits to the public of our work.

Volunteer help

Through our Connect programme, we work with volunteers who provide specialist pro-bono support, expertise, and mentoring services to help social entrepreneurs develop their business skills and increase their impact.

In 2020-21, we worked with 500+ volunteers across 23 organisations and ran 9 events with corporate partners. With support ranging from legal advice (inc. intellectual property, corporate structuring, and consumer-facing terms and conditions) to tailored mentoring (from one-off conversations through to coaching and long-term mentoring), 90% of the volunteer experts we worked with enjoyed the opportunity to create positive social impact and access new networks.

We also work with the social entrepreneurs who receive pro bono support to ensure that it provides what they need. For those receiving legal support over the last year, 98% found it useful, and for those receiving mentoring support, nearly 80% found they were clearer on the steps they needed to take to move forwards.

Main policies and procedures

In developing its policies and procedures, UnLtd's Board is aware of 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

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 as an informal group
- Who want to run projects:
 - I. That benefit the public or a community in the UK
 - II. That need an UnLtd Award to ensure success
 - III. That offer a learning opportunity for the applicant(s)

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IV. That are a new initiative

The Awards Scheme has 3 principal levels of Awards:

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

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

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

Our other award programmes, which are funded by external partners, usually provide awards of similar value to our Millennium Awards; however, the grants we delivered through our Social Enterprise Support and Inclusive Recovery funds were of a far wider range and value. More information on these can be found in the below strategic report.

We recognise that some social ventures require more financial support to be able to grow and scale their impact. To meet this need we've developed the capability to provide, alongside comprehensive business support, greater financial support.

UnLtd Impact Fund – a £2.8m fund disbursed between 2017 and 2021. This combines investment of up to £150,000 with the provision of post-investment support. Now fully disbursed, we've supported 26 ventures across this period.

Thrive – our social accelerator programmes, for social ventures operating within our access to employment and solutions for an ageing society impact streams, which combine six months of intensive support with the opportunity to secure investment of up to £50,000. We will invest into approximately half of the ventures coming through these programmes. We've supported 12 ventures with £395,000 of investment through our Thrive Fund.

Remuneration Policy

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

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

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

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

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

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

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

THE FOUNDATION FOR SOCIAL ENTREPRENEURS (UnLtd) TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2021

Remuneration of the Chief Executive

The pay level of the CEO was £128,269 for the financial year 2020-21.

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

The Committee takes 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 staff

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

Redundancy payments totalling £Nil (2020: £59,661) were paid to zero individuals (2020: 4 individuals) during the reporting period.

The total employer pension contribution amounted to £176,680 (2020: £170,351).

Complaints Procedure

We take all complaints very seriously and have designed a comprehensive policy to reflect this. The purpose of UnLtd's complaints policy is to set out how we will investigate complaints made by individuals. Our aim is to resolve issues and learn from any mistakes. You can view our complaints policy at:

https://www.unltd.org.uk/uploads/general_uploads/UnLtd_Complaints_Policy.pdf

Three formal complaints were received across the reporting period. Two of these complaints were resolved following engagement between the complainants and the Director for Social Entrepreneur Support. The third complainant chose to escalate their complaint to the Chief Executive Officer, who reviewed all relevant information and formally responded to the complainant within 48 hours.

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 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.

Following the introduction of social distancing guidance in response to the Coronavirus pandemic, all UnLtd offices were closed in March 2020. The Corporate Services directorate have supported all staff to ensure that they can work remotely effectively and securely. We reopened our offices in May and June 2021, with social distancing measures implemented.

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

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- develops knowledge of controls among managers to manage identified risks and eliminate pointless procedures

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

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

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Investment Strategy

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

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

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

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

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

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

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

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

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

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

Asset Allocation

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

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

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Selection and Management of Investment Managers

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

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

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

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

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

External Advisors

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

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

Direct Social Investment

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

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

We're building on what we've learnt to launch a £25m social investment fund that will meet the funding and support needs of social ventures, whilst also raising the bar on inclusivity and accessibility. We're developing the Growth Impact Fund (GIF) in partnership with Big Issue Invest and intend to begin making investments in Autumn 2021. The GIF will provide tailored patient and flexible investments to inequality-focused social ventures, at least 50% of whom will be diverse-led.

Financial instruments and associated risks

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

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

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

Reserves policy

Unrestricted reserves are the accumulation of unspent unrestricted income. UnLtd unrestricted reserves have the greatest flexibility and can be used on any UnLtd activities. MAT unrestricted reserves can only be used on MAT activities.

Trustees of UnLtd have set the following reserves policy for MAT and for UnLtd.

The Millennium Awards Trust

Income from Millennium Awards Trust (MAT) endowment, from dividends and interest, is used to further the Objects of the Trust. The returns from financial markets, and therefore income available to run the Millennium Awards scheme, tend to fluctuate from year to year and on occasions these fluctuations can be significant. An income reserve has been established to provide a buffer between market fluctuations and spending level for the Trust. This buffer is vital in providing certainty to short term cash flow requirements thus enabling a medium term asset allocation in line with a close to total return investment strategy.

The target range of optimum reserves level is between 1 and 1.5 years of MAT expenditure.

At the end of March 2021, MAT unrestricted free reserves totalled £3.9M (equivalent to 12.3 months of 2021/22 MAT expenditure).

UnLtd

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

The majority of our funds for non-MAT activities comes in the form of a number of long term contracts. The principal risk is therefore circumstances which cause an unexpected cancellation of a portion of our contracts, leading to unfunded close-down costs of typically 3 months' expenditure. Most of the contracts are multi annual, so the risk is mitigated by on-going work.

In addition to unfunded close-down, UnLtd also requires free reserves to support innovative initiatives such as our social investment portfolio or new support offer design.

The target range of optimum reserves level is between 3 and 6 months of externally funded UnLtd expenditure.

At the end of March 2021, UnLtd's unrestricted reserves totalled £1.4M (equivalent to 5 months of 2021/22 externally funded UnLtd expenditure).

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3a. STRATEGIC REPORT

We had quite an amazing year. It was incredibly challenging for social entrepreneurs and the whole team. At the same time, we raised £25m for our community and sector, distributing six times what we would normally grant to social entrepreneurs.

Throughout the year, we had an intense focus on ensuring that social entrepreneurs received the funding and support they needed to get through the pandemic. We completely overhauled our approach, working closely with sector partners and funders to run collective grant funds while directly granting £13m to over 650 social entrepreneurs (with partners delivering another £12m).

We prioritised the equity and inclusivity of our support, getting this funding to social entrepreneurs serving marginalised and vulnerable communities. We wanted to ensure that social entrepreneurs had the resources to weather the economic downturn and then to increase activity and growth as conditions ease so that they contribute fully to the UK's recovery.

Here is what we were able to achieve throughout 2020-21.

Awards

We gave out 284 MAT awards throughout 2020-21, totalling £1.727m (net value including several top-up awards to existing award winners). The total value of new MAT awards was £1.699m. These awards included two rounds of emergency funding focused on social entrepreneurs meeting acute social needs brought about by the pandemic, or those with viable organisations who were fighting for their survival. We had a strong inclusion focus, as well as an emphasis on Northern Ireland, Scotland and Wales, given our two externally focused funds were England-specific.

We gave out fewer awards in comparison to 2019-20 (401 awards), while our average award size increased by £1,602 to an average value to £5,983. This reflects our belief, based on over 4 years of dialogue, testing and learning, that the right approach is to identify the specific financial need of each potential awardee, rather than aligning ourselves to pre-defined (and therefore less dynamic/flexible) award levels. We exist to support social entrepreneurs as they need, not as we want.

Whilst the demographic reach of our MAT awards remained consistent with the previous year, we know there's room for improvement:

	2020-21 MAT Awards
Black, Asian, and Minority Ethnic	27%
Disabled	15%
Female	62%

We developed an array of learnings throughout delivering our Covid-response funds (more below) and we will be embedding these into how we deliver our core awards in 2021-22 and beyond.

COVID-19 Response Funding

We entered the pandemic with a clear aim to provide social entrepreneurs with the support they needed to weather the economic downturn and to continue meeting the needs of the communities they were serving. These needs were primarily financial – for flexible and grant-based funding.

We worked with partners across the social enterprise, philanthropic and public sector to devise, resource, and deliver two significant grant funds, bringing in over £29m to the sector. We delivered the same amount of grant funding in 2020-21 as we usually expect to deliver across 6 years.

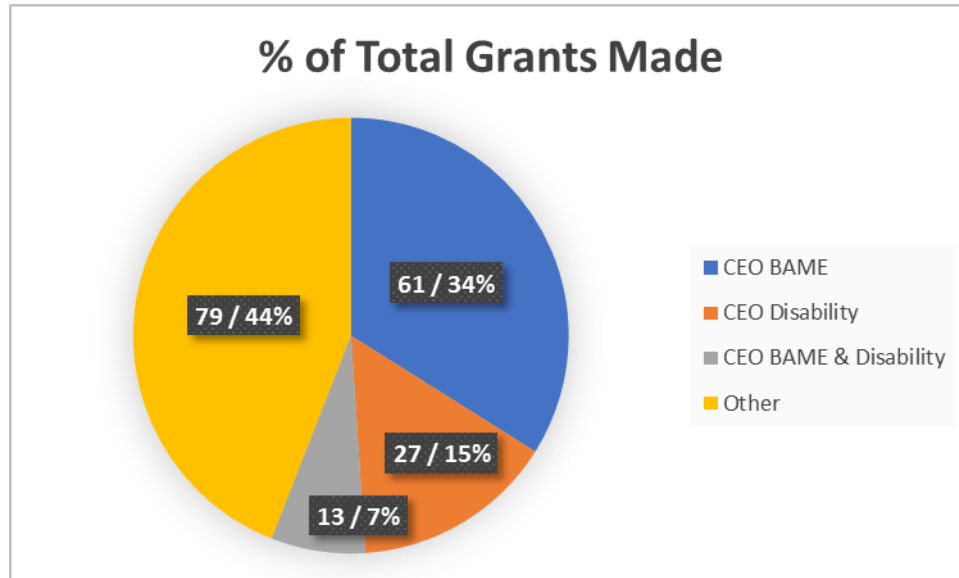
Social Enterprise Support Fund

The National Lottery Community Fund provided an exceptional £19.8m grant in partnership with Big Issue Invest, The Key Fund, Resonance and the School for Social Entrepreneurs enable us to support social entrepreneurs in England through the Coronavirus pandemic. UnLtd's share of the grant was £6.7m

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This was a welcome opportunity to work closely with sector partners, bringing together our teams and expertise for the benefit of social entrepreneurs.

As part of this, UnLtd distributed grants totaling £6.35m to 180 social ventures. We had a goal to distribute at least 50% of our grants to entrepreneurs who identify as Black, Asian, minority ethnic and/or disabled. We saw this as a key step towards creating the inclusive and equitable society we want. 56% of our grants went to these entrepreneurs across the 180 grants we made:



Working closely with our sector partners gave us all the opportunity to show how we can collectively deliver so much more for the social entrepreneurs we all want to support. In 2021/22 we hope that we will be able to once more run such an inclusive, collaborative sector grant fund.

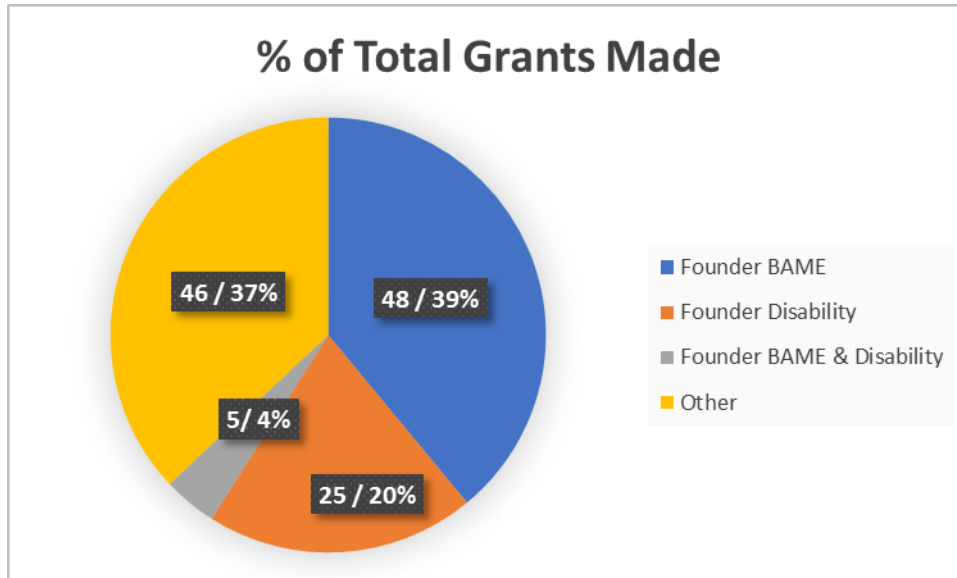
Inclusive Recovery Fund

In partnership with Comic Relief and the Department for Digital, Culture, Media, and Sport, we delivered a second £5m fund in the Autumn. As the country started to transition through the pandemic, we focused this fund more supporting ventures contribute meaningfully to the recovery.

When designing how we would deliver the fund, we employed many of the learnings that we'd gained from delivering the Social Enterprise Support Fund, including in relation to managing and processing an exceptionally high number of applications (total of 711) quickly and efficiently, as well as in relation to meeting ambitious inclusivity and diversity targets.

In December 2020, we distributed £4.75m of grants to 124 social entrepreneurs based in England. Across these grants, 63% were to historically underfunded entrepreneurs.

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Utilising and strengthening many of the measures we implemented for the Social Enterprise Support Fund, as we move forwards into a more usual rhythm of award making, we will be embedding the initiatives we employed in these funds to promote an equitable distribution of funding.

Learning around Inclusivity

Our efforts this year have given us rich learning around inclusivity which we are taking forwards in our work.

Firstly, we've confirmed that underrepresentation is not due to a shortage of talented social entrepreneurs. Arbitrary barriers put in place by both us and others have excluded these people from the sector. In the past year, 53% of our grant funding went to social entrepreneurs identifying as Black, Asian, or from a minority ethnic background, or to disabled entrepreneurs. Every social entrepreneur we funded was judged on the same potential for sustainability and impact.

Secondly, we've realised that our 50% benchmark has symbolic as well as substantive power. It sends a strong signal to the entrepreneurs we aim to serve. It has opened the door for us to be part of sector collaborations to make us and our peers more equitable funders. It has also [led to meaningful changes of behaviour in our staff and processes](#) covering most, but not all, of the recommendations listed in this [excellent blog](#) from #CharitySoWhite, showing we still have work to do. In relation to grant giving, we have had to think hard and make changes to *who* is making decisions, and [how they are making them](#).

We thought our target might be greeted with more challenge, particularly from other funders and partners. In large part, social entrepreneurs and their supporters have welcomed the decision. Where we have had push back, it tends to be based on the false premise that our target disadvantages those who do *not* share one of the identities mentioned above.

Happily, our awards remain open to all. Everyone is judged on the same potential for impact. Rather than disadvantaging some at the expense of others, this commitment makes things truly fair, meaning we can clearly focus on talent and potential for lasting impact. Done well, it ensures those who are typically locked out of funding have a much better chance of receiving it.

And perhaps most encouragingly, we have learned that this commitment does indeed ensure resources are targeted at the places and people that need it most. Over the last 12 months, 70% of the entrepreneurs we've worked with have supported Black, Asian, those from minority ethnic backgrounds and/or disabled people; those [hardest hit by the pandemic](#).

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It's important to recognise that a small core of passionate colleagues within UnLtd, comprising people of colour, LGBTQ+ and disabled colleagues, were the first to advocate for these changes and have been consistent champions of an equitable approach. Without their rigorous challenge and commitment to accountability, it is unlikely that we would have made such progress as an organisation. We do not underplay the extraordinary effort that this has taken, including the depth of emotional investment and energy needed during a year of heavy grief, trauma and loss.

Investment

While we were busy running these awards and grant funds, we continued to provide comprehensive business support, grants and investment to social ventures seeking to rapidly increase their impact and scale.

Our Thrive accelerator programmes offers 6 months of dedicated and tailored support to high impact, early (and rapid) growth social entrepreneurs. In 2020-21, we made 2 investments totalling £55,000 and provided £128,000 in 15 grants. Since the Thrive Fund's launch, we've made 12 investments – covering equity, equity-like (e.g. revenue share) and debt – totalling £395,000.

Our Impact Fund offers blended finance (grant and loan) of £50,000 - £150,000 alongside in-depth tailored support. Funding is provided by The Access Foundation Growth Fund. In 2020-21 we made 8 investments totalling c.£850,000. Now fully disbursed, the Impact Fund has made c.£2.86m of investments into 26 social ventures.

We also captured the impact of past beneficiaries of these two programmes. In 2020/21, 22 of these ventures generated over 23,000 employment opportunities and over 23,000 training opportunities. Together these ventures had a £10.7m turnover, with the average being £447k. Their collective net profit was £1.03m (an average of £42k), with a turnover increase of 132% and a 71% increase in net profit.

Over the last few years, we've been developing our understanding of these high growth, high impact investees' funding needs and how best to meet these. This has seen us expand our investment offering beyond standard debt products to equity-like investments such as revenue participation agreements. We are now partnering with Big Issue Invest and Shift to design and develop a new type of social investment fund. This will be a £25m fund offering the patient and flexible capital, and tailored wraparound support, that we know social ventures need. We're looking to launch this fund in Autumn 2021.

Impact Teams

In 2016 we identified three societal issues where we could collectively focus our social entrepreneurs, support and partnerships to create more significant and enduring impact.

Creating access to employment

- With the support of our partners - City & Guilds, Scope, and UBS - we recruited 21 ventures tackling inequity in employment onto our final Thrive accelerator, taking the total number of participants to 57 over three years.
- Over 50% of our MAT awards related to improving access to employment went to social entrepreneurs who identify as Black, Asian or Minority Ethnic and/or disabled, and over 75% went to those with direct lived experience of the social issue they are working to tackle.
- We launched a new monthly peer support offer for entrepreneurs in the employment sector, attracting around 25 entrepreneurs each month.
- We are developing a geographical needs matrix using employment and IMD data to analyse where inequity in employment is most acute in the UK. We will use this information to inform our future outreach and funding strategy.

Solutions for an ageing society

- We recruited 8 healthy ageing ventures onto the final Thrive accelerator, which commenced in

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January 2021. We are helping them grow and scale their solutions to improve the health and wellbeing of people in later life.

- We awarded £175,880 of MAT grants to 27 early-stage entrepreneurs working in healthy ageing and are providing them with ongoing 1-2-1 support. 15 entrepreneurs identify as Black, Asian or Minority Ethnic and 2 are disabled entrepreneurs, 48% of the portfolio.
- We launched a regular peer support call for entrepreneurs in the healthy ageing space, which has proven very popular, attracting around 20 entrepreneurs each month.
- We have built a strategic partnership with Wessex Academic Health & Science Network, Portsmouth Clinical Commissioning Group and HIVE Community Hub to support entrepreneurs in deprived areas of Portsmouth, Gosport, and Havant.
- We are piloting a new tool for entrepreneurs to measure their impact on older beneficiaries in terms of increases in wellbeing and reductions in loneliness.
- We are developing a 'needs matrix' using public health data to analyse where health inequalities are highest in the UK. This will drive our future outreach and support plans.

Building resilient communities

- After 9 years, we closed our Resilient Communities programme, which we've been running in partnership with the Local Trust.
- Across the lifetime of the programme, we supported over 1,100 social entrepreneurs with over £4m in grants across 133 Big Local areas.
- We worked across the breadth of the UK. 49% of the areas we worked in are ranked as those facing the greatest challenges and serving the most marginalised communities.
- This partnership has been crucial to our evolving understanding of how best to support social entrepreneurs and how best to create impact. This work showed us that basing our support on a comprehensive understanding of social entrepreneurs' specific and local needs was key to providing them with the right support and establishing a strong and trusting relationship. This will be a core pillar of our cluster model of support as we move forwards.
- Whilst the programme has formally ended, there are some social entrepreneurs who still have live awards with us, and we'll continue to support them until around March 2022.

Reach & Influence

In launching the Social Enterprise Support Fund and the Inclusive Recovery Fund, we worked hard to better reach social entrepreneurs historically underfunded or struggling to access support.

We collaborated with other sector organisations to make the case for increased institutional support for social entrepreneurs throughout the first year of the pandemic. The #SaveOurSocEnts campaign influenced the Government to commit funding to social enterprises, which was partly disbursed by UnLtd through the 'Inclusive Recovery Fund'. After social entrepreneurs experienced issues in accessing the Government-backed emergency loans, we also encouraged and helped convince the Chancellor to make the Recovery Loan Scheme open to all businesses.

As policy makers started to look towards a recovery phase, we also ensured that key policy proposals for social entrepreneurs featured in Danny Kruger's MP report for the Prime Minister on how the third sector can help level up UK society. As part of our Ambition 2025 we will focus our influencing efforts on society's future, making the UK the best place to be a social entrepreneur by breaking down the barriers they face.

Organisational Health

People

UnLtd ended the financial year with a staff headcount of 69 full time equivalents, which matches the headcount at the end of the previous financial year.

Equity, Diversity, and Inclusion

In the latter half of 2020, we conducted an independent and broad-reaching internal equity audit of

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areas that could contribute to exclusion, unfairness or discrimination. The audit found that we have a lot of work to do to become an inclusive, equitable organisation.

UnLtd recognises that our actions, systems and behaviours have contributed to racial and other inequity, which will have impacted on the experiences and working practice of employees.

The data from our audit revealed:

- A large percentage of the workforce (43.9%) are aged 30 – 39. The next largest group of employees are aged 40 – 49 (31.8%). For an organisation with many millennials the average length of service of c.4 years (27.3%) is very good. 21% of employees have worked in UnLtd for 5-10 years.
- 60% of the employees who currently work in UnLtd are female.
- The ethnicity breakdown of the team is as follows: Asian/British Asian - 16.7%; Black/Black British - 6.1%; mixed/multiple ethnicities - 1.3%; other ethnicities - 0.7%; White British and white other 71.2%.
- 13.2% of employees consider themselves to have a disability.
- 2% of the team are gay, 9% are bisexual, 79% are heterosexual (9% prefer not to say)

Together these have created a dominant majority profile (white, straight, non-disabled), and a powerful normative culture. Our equity audit found that this has led to colleagues who identify with non-majority identities experiencing a lack of belonging and inclusion. This can be found in Black colleagues having consistently experienced microaggressions and having the shortest tenure at UnLtd.

We are determined to become an active anti-racist and anti-discriminatory organisation. A major focus is shifting our behaviour and culture so we create an UnLtd where everyone can flourish, feels included and belongs. We have a comprehensive action plan, which includes the elements described below amongst others.

We have established an Equity, Diversity, Inclusion and Belonging steering group drawn from across the organisation, including Trustees. We have improved our recruitment panels and processes to ensure we are recruiting from diverse pools of candidates (with 100% of senior hires since March 2020 being non-white). We have changed our award making and governance processes to include social entrepreneurs with lived experience and people of colour in every decision-making panel. We have an extensive inclusive learning curriculum for the leadership group and whole organisation. The Executive Team are closely monitoring progress and are reporting to the UnLtd Board quarterly.

Wellbeing and Remote Working

In the 2020-21 period, the entire staff team came together in amazing ways to support social entrepreneurs and each other. As we enabled our employees to be able to work virtually, we conducted a range of activities to understand our team's experience, what we're doing well, and what could be done better. This learning has provided us with the information we need to know where we need to make changes and improvements.

We've provided access to a wealth of wellbeing resources, rolled out mental health training for line managers, and offered practical advice to people on how to maintain their wellbeing and take care of their mental health. We've also guided and coached managers on how to check in with their teams in empathetic and positive ways. We have similarly reached out to our social entrepreneurs to see how they are, offer support and access to relevant resources.

Our facilities team have ensured, where possible, that all staff can create the right home working environment for them, including access to reliable technology and good office furniture.

As lockdown measures begin to be eased, we will be working through our approach to returning to the office. We will be flexible to our team's needs as we progress through the coming year.

Learning & Development

In 2020, we renewed our L&D offer. An L&D framework was established and consists of a catalogue of mandatory learning, some role specific learning, and professional development training that can be chosen by employees.

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At the start of 2021, we introduced a curriculum specifically focused on inclusivity, covering unconscious bias, power and privilege, allyship and anti-racism. These are vital and challenging topics and getting to grips with allyship got us off to a great start. With the learning condensed into specific topics, we're hoping to provide the depth of learning required, as well as to put colleagues in control, helping to create safe spaces for these conversations.

In recognition of the importance of personal development and the value this can bring to our organisation, in February we provided staff with an opportunity to attend the Clore Social Leadership Emerging Leader programme. The Emerging Leader programme is a six-month leadership development programme for social leaders who want to expand their capabilities and make a real and lasting impact on the sector. Following an open and competitive process, 6 members of staff were offered a place on the programme which runs from April-September 2021.

The nature of learning and development has had to adapt rapidly. We have been investing in online learning and onboarding content through our learning management system.

Systems

In 2020-21 we completed the design of our new application process, and implemented a redesigned application portal, related web pages, and the CRM system (Microsoft Dynamics 365) that supports the full award application cycle. We rolled this out across the organisation to replace our legacy CRM system (thankQ). We used the new system to manage the applications, assessment, and processing of the Inclusive Recovery Fund.

We have also launched a safeguarding app, which gives all staff a new way to submit cases and designated safeguarding officers a way of tracking and managing cases.

We have integrated our award surveys into Dynamics and started to develop reporting dashboards via PowerBI (our Business Intelligence software), improving the utility and oversight of the data we collect.

3b. ORGANISATIONAL REPORTING

Key performance indicators

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

We capture our progress against our objectives and mission in our annual Impact Report. Our most recent impact report can be found here: <https://www.unltd.org.uk/about-us/our-impact>. Our Annual Report and Impact Report are being produced concurrently, with the 2021 Impact report expected for publication by Winter 2021.

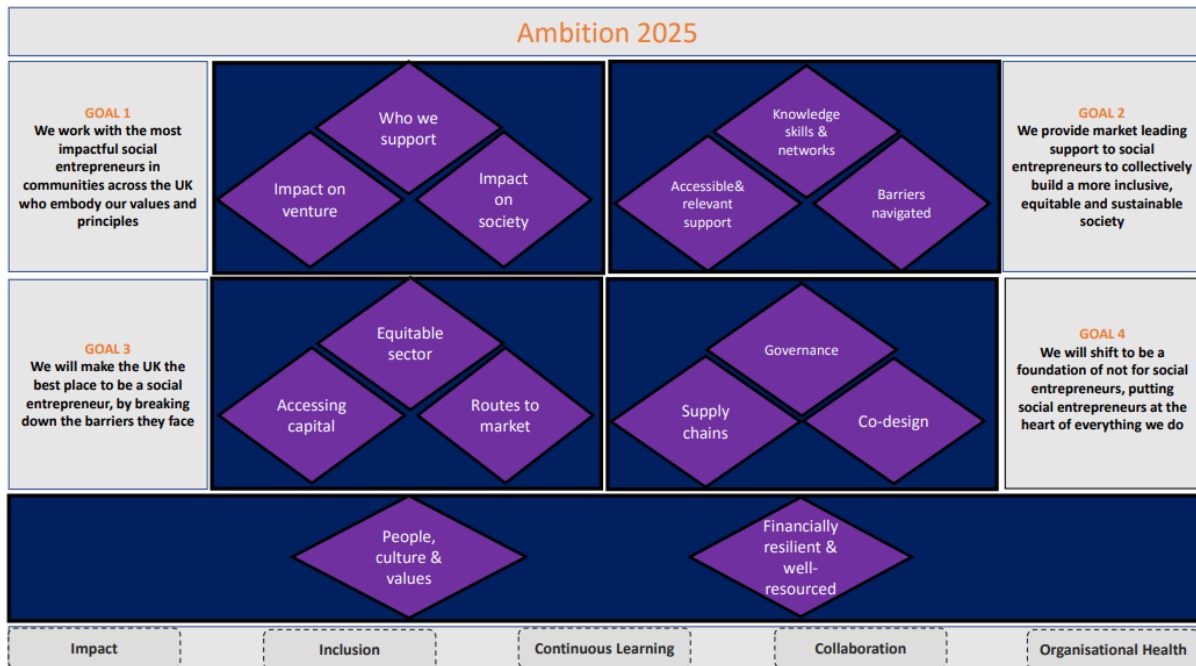
Our organisational reporting is based on a clear, single source of data, which is accessible and useful to the whole organisation. Our summary dashboard for our organisation-wide key performance indicators (KPIs) is detailed below:

A new performance framework for a new strategy

In September 2020 we agreed a new strategic framework for the organisation, setting out our ambitions for the next five years in four overarching goals. We are now developing and refining the strategy, including through testing it with social entrepreneurs.

As part of this work, we are designing a reporting approach that enables us to understand progress towards each of the goals. Our summary dashboard for our organisation-wide performance measures is detailed below:

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We are embedding a focus on inclusion, impact and continuous learning into our reporting approach, alongside our existing commitments to efficiency and quality. We are being ambitious in selecting objectives and key results that will drive our commitment to lead with equity and put social entrepreneurs at the centre of our work.

We will report on our progress in an open and transparent way, utilising digital services to display data in easy-to-digest formats. This approach will help all our teams to easily access and utilise the data they need to make informed and effective decisions.

Financial review

Fundraising performance

We have positively turned our fundraising around, with the CEO, Development Leads and Director of Delivery & Investment working closely with many colleagues to generate £17.8m of commitments to UnLtd (and a further £13m for the sector), £11m of which was deployed as grants in 2020/21. This has meant that we have over 90% coverage of our three year plan budget and have entered 2021/22 with a balanced budget (100% coverage).

We are excited about the long-term impact, inclusion and learning of our partnerships with Comic Relief, eBay, and the National Lottery Community Fund. We have a good set of potential partnerships and proposals under discussion, which will be a good foil to these three and will together contribute significantly to the achievement of our strategy through to 2025.

Investment performance

At 31 March 2021, the Real Value of the Endowment was £148.5 million (2020: £147.3 million) against a total market value of the investments of £158.1 million (2020: £128.3 million) of which £9.2 million (2020: £10.4 million) is being held in income reserves. Within the income reserves, after netting off all creditors, the free reserves stood at £5.0 million (2020: £6.6 million).

As at 31 March 2021, the group had net current assets of £2.0 million (2020: net current liabilities of £0.4 million) and reserves of £13.0 million (excluding the endowment). UnLtd (excluding the Millennium Awards Trust) had unrestricted reserves of £1.5 million (2020: £1.1 million).

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Plans for future periods

When UnLtd was founded in 2002, we were purely focused on the delivery of grants to early-stage projects and ventures. Since then, we've evolved and built on our learnings and strengths, and we're now an organisation focused on impact, inclusion, and continuous learning.

As we approach the prospect of a country transitioning out of the pandemic more unequal than before, we want to be an organisation that contributes towards a recovery that is focused on healing the inequities the last 18 months have laid bare and exacerbated.

To focus our energies and resources, we've developed a new long-term strategic approach built around the following 4 priorities:

1. We will work with the most impactful social entrepreneurs in communities across the UK who embody our values and principles.
2. We will provide market leading support to social entrepreneurs to collectively build a more inclusive, equitable and sustainable society.
3. We will make the UK the best place to be a social entrepreneur, by breaking down the barriers they face.
4. We will shift to be a foundation of not for social entrepreneurs, putting social entrepreneurs at the heart of everything we do.

These are the priorities that will guide our work over the coming few years, ensuring we're maximising the impact of our resources, providing social entrepreneurs with the tailored support and funding they need, creating the enabling environment they require to thrive, and ensuring that we're woven into the fabric of the world of social entrepreneurship we exist to support.

Strategically aligned partnerships will be crucial to helping us achieve our ambitions. Over the next year, we'll be focusing on:

- In partnership with Comic Relief, supporting our Inclusive Recovery Fund grantees with market leading support and a particular focus on inclusivity.
- In partnership with eBay, transforming social entrepreneurs' access to specialised e-commerce support to provide them with the tools and skills to thrive in a digital economy.
- In partnership with the National Lottery Community Fund and our sector-wide consortium, designing and delivering the next iteration of the Social Enterprise Support Fund, which will provide over £16m of grants to 500+ social entrepreneurs.
- In partnership with Big Issue Invest, fundraising and launching the £25m Growth Impact Fund, which will provide the patient and flexible capital that social entrepreneurs need to truly scale their ventures and impact.

Principal risks and uncertainties

Risk appetite

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

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

Business development – UnLtd has a high risk appetite in new business development. As a foundation, it is able to experiment in ways which most other agencies cannot. UnLtd is committed to finding new

THE FOUNDATION FOR SOCIAL ENTREPRENEURS (UnLtd) TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2021

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 are designed with a low tolerance level for any abuse of funds.

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

Direct social investment – UnLtd has a high risk appetite in accelerating ventures which it believes have the potential to have high growth, scalable impact

Coronavirus

In March 2020, the Coronavirus pandemic ushered in an unprecedented period of challenge, uncertainty, and human loss. UnLtd's response was guided by three principles: caring for our people; responding to the changing and increased needs of our social entrepreneurs; and active management of our costs and risks.

People response

We took action to support our people's physical and mental wellbeing. We instigated frequent engagement (learning activities, mindfulness, social clubs), and communication through multiple channels (check-ins, huddles). We put in place additional employee assistance and counselling. Feedback from staff has been positive.

Social entrepreneur response

We reached out to our existing award winners and investees to understand their needs. We continue to respond to the emerging needs of social entrepreneurs through securing and mobilising additional financial and non-financial support.

Active cost and risk management

We continue to closely monitor and actively managing our income generation. At the time of publication, UnLtd still has good visible of confirmed funding for the next 3 years.

**THE FOUNDATION FOR SOCIAL ENTREPRENEURS (UnLtd)
TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2021**

4. STATEMENT OF TRUSTEES' RESPONSIBILITIES

Statement of Trustees' responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charity and of the incoming resources and application of resources, including the income and expenditure, of the group and charity for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Disclosure of information to Auditor

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

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

Auditor

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

Approved by the Trustees on 15 September 2021 and signed on their behalf by:

DocuSigned by:
Krishna Vishnubhotla
F7BCE14A7BC2485...
Trustee
Krishna Vishnubhotla

16/9/2021

**THE FOUNDATION FOR SOCIAL ENTREPRENEURS (UnLtd)
TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2021**

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

Opinion

We have audited the financial statements of The Foundation for Social Entrepreneurs (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, the Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2021, 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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the report of the trustees, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the report of the trustees. Our opinion on the financial statements does not cover the other information we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**THE FOUNDATION FOR SOCIAL ENTREPRENEURS (UnLtd)
TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2021**

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which includes the strategic report and the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' annual report.

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibility statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the group and parent charitable company financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the group and parent charitable company financial statements, the trustees are responsible for assessing the group and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and report in accordance with this Act and relevant regulations made or having effect thereunder.

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

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

**THE FOUNDATION FOR SOCIAL ENTREPRENEURS (UnLtd)
TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2021**

- We obtained an understanding of the group and parent charitable company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, industry research, application of cumulative audit knowledge and experience of the sector.
- We determined the principal laws and regulations relevant to the group and parent charitable company in this regard to be those arising from Companies Act 2006, Charities Act 2011, employee and tax legislation.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent charitable company with those laws and regulations. These procedures included, but were not limited to, enquiries of management and review of minutes.
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that judgement was required with regards to the recognition of income from grants and the recoverability of loan balances.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company'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 charitable company and the charitable company's members as a body for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:



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

22/9/2021

15 Westferry Circus
Canary Wharf
London E14 4HD

THE FOUNDATION FOR SOCIAL ENTREPRENEURS (UnLtd)
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(incorporating an income and expenditure account)
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	<u>Unrestricted Funds</u> £	<u>Restricted Funds</u> £	<u>Endowment Funds</u> £	<u>Total 2021</u> £	Total <u>2020</u> £
Income and endowments from:						
Donations and legacies	3	128,519	17,689,570	-	17,818,089	748,667
Income from charitable activities	4	471,888	-	-	471,888	407,947
Investments	5	3,490,197	-	-	3,490,197	5,151,774
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total income and endowments		4,090,604	17,689,570	-	21,780,174	6,308,388
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Expenditure on						
Raising Funds		-	-	754,023	754,023	557,503
Charitable activities	6	5,418,795	12,839,778	-	18,258,573	8,113,118
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditure		5,418,795	12,839,778	754,023	19,012,596	8,670,621
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net gain/(losses) on investments	5	-	-	31,770,173	31,770,173	(20,804,660)
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net (expenditure) / income		(1,328,191)	4,849,792	31,016,150	34,537,751	(23,166,893)
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Transfer between funds		255,150	(255,150)	-	-	-
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net movement in funds		(1,073,041)	4,594,642	31,016,150	34,537,751	(23,166,893)
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Reconciliation of funds:						
Total funds brought forward		7,914,990	1,510,771	117,888,334	127,314,095	150,480,988
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total funds carried forward		6,841,949	6,105,413	148,904,484	161,851,846	127,314,095
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

All income and expenditure derive from continuing activities.

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

The accompanying notes on pages 36 to 50 form part of these financial statements.

**THE FOUNDATION FOR SOCIAL ENTREPRENEURS (UnLtd)
BALANCE SHEETS
AT 31 MARCH 2021**

Company number: 4180639

	<u>Notes</u>	2021 <u>UnLtd</u> £	2021 <u>Group</u> £	2020 <u>UnLtd</u> £	2020 <u>Group</u> £
Fixed assets					
Tangible assets	7	-	835,002	12,236	852,239
Investments	8	-	158,077,821	-	128,313,737
		-	158,912,823	12,236	129,165,976
Debtors: amount due after one year	10	2,302,186	3,911,007	2,186	1,230,426
Current assets					
Debtors: amount due within one year	9	6,060,169	3,114,568	3,460,838	1,332,378
Cash at bank and in hand		310,891	868,790	330,754	560,886
		6,371,060	3,983,358	3,791,592	1,893,264
Creditors: amounts falling due within one year	11	438,098	1,970,873	488,492	2,291,275
Net current assets/(liabilities)		5,932,962	2,012,485	3,303,100	(398,011)
Total assets less current liabilities		8,235,148	164,836,315	3,317,522	129,998,391
Creditors: amounts falling due after more than one year	12	659,000	2,984,469	700,000	2,684,296
Total net assets		7,576,148	161,851,846	2,617,522	127,314,095
Funds					
Endowment		-	148,904,484	-	117,888,334
Restricted funds		6,105,413	6,105,413	1,510,771	1,510,771
Unrestricted funds		1,470,735	6,841,949	1,106,751	7,914,990
		7,576,148	161,851,846	2,617,522	127,314,095

The accompanying notes on pages 36 to 50 form part of these financial statements.

Approved by the Trustees, authorised for issue on 15 September 2021 and signed on their behalf by:

Trustee
Krishna Vishnubhotla

DocuSigned by:

Krishna Vishnubhotla

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16/9/2021

THE FOUNDATION FOR SOCIAL ENTREPRENEURS (UnLtd)
CONSOLIDATED CASHFLOW
AT 31 MARCH 2021

	2021	2020
	£	£
Cash inflow/(outflow) from operating activities		
Net incoming/(outgoing) resources	34,537,751	(23,166,893)
Loan interest charges	3,201	6,964
Depreciation of tangible fixed assets	17,237	24,686
(Increase)/decrease in debtors	(4,462,771)	1,684,339
Increase/(decrease) in creditors	(280,993)	503,983
Investment (gains) / losses	(31,770,173)	20,804,660
	<hr/>	<hr/>
Net cash (used in) operating activities	(1,955,748)	(142,261)
	<hr/>	<hr/>
Cash inflow/(outflow) from investing activities		
Payment to acquire investments	-	(305,820)
Receipts from the sale on investments	2,006,089	-
	<hr/>	<hr/>
Net cash flow provided by investing activities	2,006,089	(305,820)
	<hr/>	<hr/>
Cash inflow/(outflow) from financing activities		
Loan repayments	(98,597)	(96,123)
Loan capital received	359,361	732,486
Interest paid	(3,201)	(6,964)
	<hr/>	<hr/>
Net cash flow provided by / (used in) financing activities	257,563	629,399
	<hr/>	<hr/>
Change in cash in year	<u>307,904</u>	<u>181,318</u>

Analysis of changes in net funds

	At 1 April 2020	Cashflow	At 31 March 2021
	£	£	£
Cash at bank and in hand (including short term deposits)	560,886	307,904	868,790
Loan – Mortgage	(383,042)	98,597	(284,445)
Loans - Other	(1,917,452)	(359,361)	(2,276,813)
	<hr/>	<hr/>	<hr/>
	(1,739,606)	47,140	(1,688,468)
	<hr/>	<hr/>	<hr/>

The accompanying notes on pages 36 to 50 form part of these financial statements.

**THE FOUNDATION FOR SOCIAL ENTREPRENEURS (UnLtd)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

1 PRINCIPAL ACCOUNTING POLICIES

(a) General information and basis of preparation

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

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2019.

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

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

(b) Going Concern

The Board of Trustees has adopted the going concern basis in the preparation of these financial statements. In reaching this decision, the Board of Trustees has given consideration to the Group's forecast and cash flow projections covering a period of at least 12 months from the date of signing of the financial statements, prepared against the backdrop of Covid-19.

Though the scenario is considered to be very unlikely, as part of the going concern assessment the Group prepared a cash flow forecast which considered the Group's ongoing cash outflows and assumed no new source of external funding beyond those already confirmed. Based on this analysis, no risk of going concern is foreseen for the 12 month period up to September 2022.

The Group will also monitor its funding position and its liquidity risk throughout the year to ensure it has access to sufficient funds to meet forecast cash requirements and make adjustments in its operational expenditure as required. UnLtd also has the ability to flex the timing and/or volume of MAT awards outflows in order to manage any risks. Having due regard to these matters and after making appropriate enquiries, the Directors have a reasonable expectation that the Group and the Company have adequate resources to remain in operation until at least 12 months after the approval of these Financial Statements. The Board of Trustees have therefore continued to adopt the going concern basis in preparing the consolidated Financial Statements.

(c) Funds

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

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

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors

**THE FOUNDATION FOR SOCIAL ENTREPRENEURS (UnLtd)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

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

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

(d) Income recognition

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

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

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

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

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

(e) Expenditure recognition

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

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

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

(f) Tangible fixed assets

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

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

**THE FOUNDATION FOR SOCIAL ENTREPRENEURS (UnLtd)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

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

(g) Investments

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

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

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

(i) Loans and borrowings

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

(j) Derivatives

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

(k) Provisions

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

(l) Employee benefits

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

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

(m) Tax

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

(n) Group accounts

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

THE FOUNDATION FOR SOCIAL ENTREPRENEURS (UnLtd)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2 Funds Analysis

Restricted funds	Fund balance at 1 April 2020 £	Incoming resources £	Outgoing resources £	Fund Transfers & investment gains/(losses) £	Fund balance at 31 March 2021 £
Big Lottery (BVC 2)	317,598	5,000	123,004	-	199,594
Big Local Trust - Star people	225,476	-	248,275	102,666	79,867
RSWT	195,738	-	177,036	(10,581)	8,121
Esmee Fairbairn I	6,680	-	-	-	6,680
Design Council	24,497	-	6,703	-	17,794
DCMS	9,551	-	-	-	9,551
Sandwell	38,476	-	-	-	38,476
JP Morgan	68,457	-	-	-	68,457
Global networks	-	1,000	1,237	237	-
Pro bono networks	-	-	4,649	4,649	-
Thrive: A2E	315,543	187,000	445,028	(37,167)	20,348
TSIP	55,535	-	-	-	55,535
Postcode Innovation	25,326	249,897	198,883	(52,525)	23,815
The Royal Foundation	2,475	81,006	20,997	-	62,484
Thrive : SFAS	8,060	12,250	26,558	6,248	-
Pioneers	-	-	16,060	16,060	-
Purposely	-	-	40	40	-
Macarthur Foundation	105,182	(911)	96,221	-	8,050
Access Reach Fund	12,177	-	6,837	-	5,340
Paul Hamlyn Foundation	100,000	-	50,000	-	50,000
SESF 1	-	6,666,750	6,383,141	(283,609)	-
Bank of America	-	49,298	9,840	-	39,458
The Waterloo Foundation	-	38,300	-	-	38,300
Inclusive Recovery Fund	-	9,750,000	5,000,000	-	4,750,000
eBay	-	637,980	24,087	-	613,893
Access: Flexible Finance	-	10,000	1,350	-	8,650
SESF 2	-	-	1,000	-	(1,000)
The Entrepreneur Ship	-	2,000	-	-	2,000
Other	-	-	(1,168)	(1,168)	-
Total Restricted Funds	1,510,771	17,689,570	12,839,778	(255,150)	6,105,413
Endowment Funds	117,888,334	-	754,023	31,770,173	148,904,484
Unrestricted Funds	7,914,990	4,090,604	5,418,795	255,150	6,841,949
Total Funds	127,314,095	21,780,174	19,012,596	31,770,173	161,851,846

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

THE FOUNDATION FOR SOCIAL ENTREPRENEURS (UnLtd)
NOTES TO THE FINANCIAL STATEMENTS
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	Fund balance at 1 April 2019 £	Incoming resources £	Outgoing resources £	Fund Transfers & investment gains/(losses) £	Fund balance at 31 March 2020 £
Restricted funds					
Big Lottery Fund - Live	-				
Big Lottery Fund – BVC II	368,914	23,540	74,856	-	317,598
Big Local Trust – Star people	946,295	-	657,705	(63,114)	225,476
Royal Society of Wild Life Trust	341,317	-	113,651	(31,927)	195,739
Esmee Fairbain I	6,680	-	-	-	6,680
Esmee Fairbain II	-	-	12,216	12,216	-
Comic Relief II	237,742	-	24	(237,718)	-
Design Council	347,194	101,271	395,083	(28,886)	24,496
Seek	-	(3,244)	-	3,244	-
HEFCE	252,360	-	-	(252,360)	-
DCMS	9,571	-	20	-	9,551
Sandwell	38,476	-	-	-	38,476
UBS	-	-	63	63	-
Santander II	337,185	-	-	(337,185)	-
JP Morgan	68,457	-	-	-	68,457
Global networks	-	8,495	13,411	4,916	-
Pro bono networks	-	-	18,314	18,314	-
Thrive: A2E	747,952	22,500	408,087	(46,822)	315,543
TSIP	72,681	-	17,145	-	55,536
Postcode Innovation	163,572	-	138,246	-	25,326
The Royal Foundation	7,107	-	4,633	-	2,474
Pioneers	(2,864)	-	5,135	7,999	-
Macarthur Foundation	155,800	-	50,618	-	105,182
Thrive: SFAS	27,885	112,750	120,367	(12,208)	8,060
Purposely	(1,092)	-	154	1,246	-
Access Reach Fund	-	16,000	3,823	-	12,177
Thrive Fund	-	-	594	594	-
Paul Hamlyn Foundation	-	150,000	50,000	-	100,000
Other	(19,937)	-	(831)	19,106	-
Total Restricted Funds	4,105,295	431,312	2,083,314	(942,522)	1,510,771
Endowment Funds	138,490,930	-	557,503	(20,045,093)	117,888,334
Unrestricted Funds	7,884,763	5,877,076	6,029,804	182,955	7,914,990
Total Funds	150,480,988	6,308,388	8,670,621	(20,804,660)	127,314,095

Included in the Endowment Funds 'Fund Transfers & investment gains / (losses) is a transfer of £759,567 from Restricted Funds

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

**THE FOUNDATION FOR SOCIAL ENTREPRENEURS (UnLtd)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

3 Income from donations and legacies

	2021	2020
	<u>£000</u>	<u>£000</u>
Trusts - Big Lottery	5,000	23,540
Trusts – Other	17,650,820	264,027
Local government	-	8,495
Other	162,269	452,605
	<u>17,818,089</u>	<u>748,667</u>

Income from donations and legacies was £17,818,089 (2020 - £ 748,667) of which £17,689,570 (2020 - £ 431,312) was attributable to restricted funds and £128,519 (2020 - £317,355) was attributable to unrestricted funds.

4 Income from charitable activities

UnLtd has four wholly owned UK trading subsidiaries:

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

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

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

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

	FSE Management Services Limited	UnLtd Scotland	UnLtd Impact Support Company Limited	UnLtd Venture Growth Support Limited	Total 2021
	£	£	£	£	£
Turnover	40,294	93,778	331,498	6,318	471,888
Transfer from Parent Company	-	-	-	155,000	155,000
Expenditure	(3,730)	(93,778)	(291,445)	(183,815)	(572,768)
Provision for loss	-	-	64,811	3,125	67,936
	<u>36,564</u>	<u>-</u>	<u>104,864</u>	<u>(19,372)</u>	<u>122,056</u>
Profit before gift aid	36,564	-	104,864	(19,372)	122,056
Gift aid to UnLtd	-	-	-	-	36,564
	<u>-</u>	<u>-</u>	<u>104,864</u>	<u>(19,372)</u>	<u>85,492</u>
Retained in subsidiary	-	-	104,864	(19,372)	85,492

**THE FOUNDATION FOR SOCIAL ENTREPRENEURS (UnLtd)
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	FSE Management Services Limited	UnLtd Scotland	UnLtd Impact Support Company Limited	UnLtd Venture Growth Support Limited	Total 2020
	£	£	£	£	£
Turnover	24,279	110,758	264,347	8,563	407,947
Transfer from Parent Company	-	-	-	-	-
Expenditure	(16,120)	(110,758)	(347,071)	(3,558)	(477,508)
Provision for loss	-	-	(390,203)	(58,750)	(448,953)
Profit before gift aid	8,159	-	(737,274)	(62,308)	(791,424)
Gift aid to UnLtd	8,159	-	-	-	8,159
Retained in subsidiary	-	-	(737,274)	(62,308)	(799,582)

5 Income from investments

	<u>Unrestricted</u>	<u>Endowment</u>	<u>2021 Total</u>	<u>2020 Total</u>
	£	£	£	£
Investment income	3,490,197	-	3,490,197	5,151,774
Investment gains/(losses)	-	31,770,173	31,770,173	(20,804,660)

Income from investments was £3,490,197 (2020 - £5,151,774) of which £3,490,197 (2020 - £5,151,774) was attributable to unrestricted funds.

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

6 Charitable expenditure – costs of support to social entrepreneurs

	<u>2021</u>	<u>2020</u>
	£	£
Direct costs analysis		
Salaries	2,111,995	2,109,523
Partners	196,087	225,631
Events	110,271	275,283
Travel	22,159	297,764
	<u>2,440,512</u>	<u>2,908,201</u>
Grants Analysis		
Try It	(3,321)	32,679
Do It	783,018	1,050,981
Ventures	947,415	773,000
Partners	11,131,836	-
	<u>12,858,948</u>	<u>1,856,660</u>

THE FOUNDATION FOR SOCIAL ENTREPRENEURS (UnLtd)
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Support costs analysis		
Salaries	1,255,276	1,273,509
Premises	231,633	310,520
IT	207,336	130,928
Marketing	597,361	567,873
Depreciation	17,237	24,686
Governance (see below)	53,918	68,997
Trading activity in subsidiaries	572,768	477,508
Provision for loss	(67,936)	448,953
Other	91,520	45,283
Total	<u>2,959,113</u>	<u>3,348,257</u>

	<u>2021</u>	2020
	£	£
Governance costs analysis		
Trustees expenses	153	2,660
Legal	1,889	7,858
Audit (external)	29,556	28,839
Audit (internal)	22,320	29,640
	<u>53,918</u>	<u>68,997</u>
Total Charitable expenditure		
Direct costs	2,440,512	2,908,201
Grants	12,858,948	1,856,660
Support costs	2,959,113	3,348,257
	<u>18,258,573</u>	<u>8,113,118</u>

£12,839,778 (2020 - £2,083,314) of the above costs were attributable to restricted funds and £5,418,795 (2020 - £6,029,804) of the above costs were attributable to unrestricted funds.

Net income / (expenditure) is stated after charging

Depreciation	17,237	24,686
Operating lease rentals - land and buildings	55,216	46,225
Interest payable on bank loans	3,201	6,964
Investment gains and losses	31,770,173	(20,804,660)
	<u>31,770,173</u>	<u>(20,804,660)</u>

THE FOUNDATION FOR SOCIAL ENTREPRENEURS (UnLtd)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

7 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 2020	800,000	125,000	316,264	564,718	1,805,982
Additions	-	-	-	-	-
Disposals	-	-	(199,861)	(13,058)	(212,919)
	800,000	125,000	116,403	551,660	1,593,063
	-	85,000	304,026	564,717	953,743
At 1 April 2020	-	85,000	304,026	564,717	953,743
Charge for the year	-	5,000	12,237	-	17,237
Disposals	-	-	(199,861)	(13,058)	(212,919)
	-	90,000	116,402	551,659	758,061
At 31 March 2021	-	90,000	116,402	551,659	758,061
	800,000	35,000	1	1	835,002
At 31 March 2021	800,000	35,000	1	1	835,002
	800,000	40,000	12,238	1	852,239
At 31 March 2020	800,000	40,000	12,238	1	852,239

7 Tangible fixed assets (UnLtd)

	<u>Computer and IT</u>	<u>Furniture and Fixtures</u>	<u>Total</u>
Cost	£	£	£
At 1 April 2020	309,625	13,058	322,683
Additions	-	-	-
Disposals	(199,861)	(13,058)	(212,919)
At 31 March 2021	109,764	-	109,764
	297,388	13,058	310,446
At 1 April 2020	297,388	13,058	310,446
Charge for the year	12,236	-	12,236
Disposals	(199,861)	(13,058)	(212,919)
At 31 March 2021	109,764	-	109,764
At 31 March 2021	-	-	-
At 31 March 2020	12,236	-	12,236

THE FOUNDATION FOR SOCIAL ENTREPRENEURS (UnLtd)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

8 Investments

	Unrestricted funds	Endowment funds	Total
	£	£	£
Market value at 1 April 2020	10,425,403	117,888,334	128,313,737
Net unrealised/realised investment gains / losses	-	31,770,173	31,770,173
Investment income earned	3,490,197	-	3,490,197
Investment income drawdown	(4,742,263)	-	(4,742,263)
Investment charges deducted	-	(754,023)	(754,023)
Transfer between funds	-	-	-
	<hr/>	<hr/>	<hr/>
Market value at 31 March 2021	9,173,337	148,904,484	158,077,821
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Asset allocation:			
UK Treasury 8.00% 2021			6,300,128
Cash			487,049
GSAM Sterling Credit			4,946,627
Charities Property Fund			11,471,368
Dimensional - Global Core Fund			41,195,147
Dimensional - Emerging Markets			31,340,345
GMO			12,639,576
Wellington			15,798,249
GuardCap			16,507,778
HICL			17,391,554
			<hr/>
Market value at 31 March 2021			158,077,821

All investments are held by the Millennium Awards Trust.

9 Debtors : amounts falling due within one year

	UnLtd	Group	UnLtd	Group
	2021	2021	2020	2020
	£	£	£	£
Trade debtors	-	26,208	159,468	174,855
Grants receivable	2,485,190	2,485,190	786,144	786,144
Prepayments and accrued income	114,713	147,662	106,624	134,827
Other debtors	12,710	12,710	17,529	17,967
Amounts due from subsidiary undertakings	3,447,556	-	2,391,073	-
Loans	-	442,798	-	218,585
	<hr/>	<hr/>	<hr/>	<hr/>
	6,060,169	3,114,568	3,460,838	1,332,378
	<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 2021**

10 Debtors : amounts falling due after one year

	UnLtd <u>2021</u> £	Group <u>2021</u> £	UnLtd <u>2020</u> £	Group <u>2020</u> £
Grants receivable	2,300,000	2,300,000	-	-
Other debtors	2,186	8,641	2,186	6,886
Loans	-	1,602,366	-	1,223,540
	<hr/>	<hr/>	<hr/>	<hr/>
	2,302,186	3,911,007	2,186	1,230,426
	<hr/>	<hr/>	<hr/>	<hr/>

* Other debtors includes staff season ticket loan and temporary floats

11 Creditors: amount falling due within one year

	UnLtd <u>2021</u> £	Group <u>2021</u> £	UnLtd <u>2020</u> £	Group <u>2020</u> £
Trade creditors	201,858	201,858	267,644	267,644
Awards accruals	-	1,278,949	-	1,516,324
Accruals and deferred income	122,639	271,258	118,521	302,690
Other taxes and social security	88,790	90,788	79,905	81,880
Other creditors	24,811	28,500	22,422	24,140
Loan (see note 12)	-	99,520	-	98,597
	<hr/>	<hr/>	<hr/>	<hr/>
	438,098	1,970,873	488,492	2,291,275
	<hr/>	<hr/>	<hr/>	<hr/>

All awards are payable within one year

	UnLtd <u>2021</u> £	Group <u>2021</u> £	UnLtd <u>2020</u> £	Group <u>2020</u> £
Try It	-	5,556	-	13,672
Do It	-	935,629	-	1,389,424
Grow It	-	337,764	-	113,228
	<hr/>	<hr/>	<hr/>	<hr/>
	-	1,278,949	-	1,516,324
	<hr/>	<hr/>	<hr/>	<hr/>

**THE FOUNDATION FOR SOCIAL ENTREPRENEURS (UnLtd)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

12 Creditors: amounts falling due after more than one year

	UnLtd <u>2021</u> £	Group <u>2021</u> £	UnLtd <u>2020</u> £	Group <u>2020</u> £
Deferred Income	-	522,731	-	482,399
Triodos loan	-	184,925	-	284,445
Other loans	659,000	2,276,813	700,000	1,917,452
	<hr/>	<hr/>	<hr/>	<hr/>
	659,000	2,984,469	700,000	2,684,296
	<hr/>	<hr/>	<hr/>	<hr/>

Loan from Triodos Bank:

	Group <u>2021</u> £	Group <u>2020</u> £
Amounts falling due		
After one year and before two years	184,925	99,520
After two years and before five years	-	184,925
After more than five years	<hr/>	<hr/>
	184,925	284,445
Withing one year (see note 11)	<hr/>	<hr/>
	99,520	98,597
	<hr/>	<hr/>
	284,445	383,042
	<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.

Loan from Others:

	UnLtd <u>2021</u> £	Group <u>2021</u> £	UnLtd <u>2020</u> £	Group <u>2020</u> £
Amounts falling due				
After one year and before two years	-	-	-	-
After two years and before five years	-	1,617,813	-	1,217,452
After more than five years	<hr/>	<hr/>	<hr/>	<hr/>
	659,000	659,000	700,000	700,000
	<hr/>	<hr/>	<hr/>	<hr/>
	655,000	2,276,813	700,000	1,917,452
	<hr/>	<hr/>	<hr/>	<hr/>

**THE FOUNDATION FOR SOCIAL ENTREPRENEURS (UnLtd)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

13 Endowment

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

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

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

14 Staff numbers and costs

	<u>2021</u>	2020
	£	£
Salaries	2,908,210	2,900,679
Social security costs	317,369	282,168
Pensions	<u>179,438</u>	<u>175,973</u>
	<u>3,405,017</u>	<u>3,358,820</u>

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

<u>66</u>	<u>69</u>
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The number of employees during the period who earned over £60,000 in the year was as follows:

	<u>2021</u>	2020
£60,001 to £70,000 per annum	1	4
£70,001 to £80,000 per annum	3	0
£80,001 to £90,000 per annum	1	2
£120,001 to £130,000 per annum	<u>1</u>	<u>1</u>

Total redundancy / termination payments of £Nil (2020 - £59,661) were made to 0 individuals (2020: 4 individuals).

Trustees received no remuneration and no expenses were reimbursed (2020 - £2,660 reimbursed to 2 Trustees) during the reporting period. Protector fees of £5,000 (2020 - £5,000) were payable.

The aggregate remuneration received by key management personnel totalled £ 514,616 (2020: £605,352). Key management personnel includes CEO, Director of Corporate Services, Director of Delivery and Investment, Director of Social Entrepreneur Support and Director of Impact and Influence.

**THE FOUNDATION FOR SOCIAL ENTREPRENEURS (UnLtd)
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15 Operating lease commitments

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

	2021	2020
	£	£
Not later than one year	39,020	39,801
Later than one and not later than five years	36,285	43,005
Later than five years	-	-
	<hr/>	<hr/>
	75,305	82,806

16 Financial instruments and associated risks

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

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

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

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

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

17 Related party transaction

There have been no related party transactions in either year.

THE FOUNDATION FOR SOCIAL ENTREPRENEURS (UnLtd)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

18 Net Assets Fund Analysis

	Unrestricted £	Restricted £	Endowment £	Total 2021 £
Fixed assets	835,002	-	-	835,002
Investments	9,173,337	-	148,904,484	158,077,821
Net current assets/(liabilities)	(4,092,928)	6,105,413	-	2,012,485
Long term debtors	3,911,007	-	-	3,911,007
Long term creditors	(2,984,469)	-	-	(2,984,469)
	<u>6,841,949</u>	<u>6,105,413</u>	<u>148,904,484</u>	<u>161,851,846</u>
	<u>Unrestricted £</u>	<u>Restricted £</u>	<u>Endowment £</u>	<u>Total 2020 £</u>
Fixed assets	852,239	0	0	852,239
Investments	10,425,403	0	117,888,334	128,313,737
Net current assets/(liabilities)	(1,908,782)	1,510,771	0	(398,011)
Long term debtors	1,230,426	0	0	1,230,426
Long term creditors	(2,684,296)	0	0	(2,684,296)
	<u>7,914,990</u>	<u>1,510,771</u>	<u>117,888,334</u>	<u>127,314,095</u>