



Annual Report and Financial Statements

For the year ended 30 September 2019

Charity registered number
1147344/SC043324

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Trustees' report

The Trustees present the annual report and the audited financial statements of the charity for the year ended 30 September 2019. The financial statements have been prepared in accordance with the accounting policies set out in note 1 and comply with the charity's Trust Deed, the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and the Statement of Recommended Practice: Accounting and Reporting by Charities 2016. The charity has taken some of the exemptions available to smaller charities within FRS 102.

Reference and administrative details of the charity, its Trustees and advisors

Trustees

Chair - Professor Sir Tim Wilson (External Trustee)

Harvey Gallagher (External Trustee)

Nicholas Miller (External Trustee)

Joe Lister

Jenny Shaw

Professor Shān Wareing (External Trustee) appointed 10th October 2018

Professor Andrea Dlaska (External Trustee) appointed 18th October 2018

Darren Ellis resigned 9th May 2019

Becca Bland (External Trustee) resigned 27th June 2019

Charity number

1147344 / SC043324

Principal office

South Quay House

Temple Back

BRISTOL

BS1 6FL

Auditor

Deloitte LLP

Statutory Auditor

3 Rivergate

Temple Quay

BRISTOL

BS1 6GD

Bankers

Royal Bank of Scotland

P.O. Box: 238

32 Corn Street

BRISTOL

BS1 1HQ

Trustees' report (*continued*)

Structure, governance and management

The Charitable Trust

The Unite Foundation (the "Trust") is a Charitable Trust, established by The Unite Group plc ("Unite") under a Trust Instrument dated 7 December 2011 and registered with the Charity Commission in England and Wales on 21 May 2012 (registration number 1147344) and Scotland (registration number SC043324). The Trust is legally separate from Unite.

In 2016, Unite made a donation of 4,128,819 units in the Unite UK Student Accommodation Fund (USAF), a Jersey-based Unit Trust, to The Unite Foundation. As at 30 September 2019, the value of these units increased to £5,805,119 from £5,628,478 at 30 September 2018. The Trust has received dividends from the units held in USAF in the year to September 2019 in the value of £251,155 (year to September 2018: £261,489).

Unite was the primary donor to the Trust during the year, donating £1,740,600 (year to September 2018: £1,541,300).

Trustees, governance and management

The Trustees who served during the year and at the date of this report are set out on page 1.

The Board of Trustees undertook a governance review of the Foundation in October 2017. This governance review concluded that the key recommended practices from the Charity Governance Code are consistently applied. The Board of Trustees has clear objectives and strategy in place. The Trustees deploy a wide range of skills, knowledge and experience essential to good governance and the balance of expertise is kept under review with an openness to additional Board recruitment. As recommended within the 2017 review, key agreements and policies are refreshed annually and external governance review is scheduled for 2019/20.

The Trust Deed states that a minimum of three Trustees shall be appointed, with any two Trustees forming a quorum. The Trustees are appointed by the Foundation Board based on the skills required in the context of the external environment. The Trustees subsequently agreed a quorum would consist of three Trustees, to include an external Trustee. The Trustees are appointed, in accordance with the Trust Deed, by a resolution of the Board of Trustees passed at a special meeting. The Chair of the Trustees is nominated and agreed by the Board of Trustees. The power of appointing or removing Trustees is vested in a majority of Trustees.

The Trustees meet quarterly to agree the broad strategy and areas of activity for the Trust, including consideration of grant making, investment and risk management policies and performance. Under the Trust Deed, the Trustees are required to hold at least two ordinary meetings each year; in practice meetings are held quarterly.

The Trustees keep their skill requirements under review and subscribe to charity law and guidance publications. Newly appointed Trustees receive an induction on the workings of the Trust and its policies and procedures, and receive a copy of the Trust Deed and of the latest report and statement on accounts. Ongoing training is the responsibility of individual Trustees. No Trustee received any remuneration directly from the Trust during the current or prior year. Becca Bland (Trustee) was part of a consortium appointed by the Trust to undertake a research commission during 2018/19 and therefore indirectly benefitted from charitable expenditure. The procurement of this research was via open invitation to tender and was determined by a research sub-group of the Board against a set of pre-defined criteria.

The key management personnel of the charity are the Trustees. The day-to-day running of the Foundation was undertaken by a team of 2.5 FTE permanent paid staff supported by the Chair. Unite Group employees who provided additional specialist support, e.g. finance, legal or communications, received no remuneration from the Trust during the year, which is not recharged to the Foundation and its value is unable to be quantified. One Trustee received reimbursement of travel expenses totaling £7 during the year (30 September 2018: three Trustees totaling £24).

Trustees' report (*continued*)

The Trustees confirm that they have referred to guidance contained in the Charity's Commission's general guidance on public benefit when reviewing the Foundation's aims and objectives and in planning future activities and setting the grant making policy for the year.

Objectives and activities

Charitable purpose

To transform the lives of young people (25 years of age and under) by enabling access to higher education. Particular emphasis is placed on supporting those young people for whom access to a secure home is of particular significance, specifically students who come from a background of care or estrangement.

Main activity

The Unite Foundation intends to improve the access, progression and post-graduate outcomes for care leaver and estranged students in the UK. This goal is addressed by delivering direct benefit to relevant students through a national scholarship scheme, raising awareness of the experience of such students and by supporting transformational research. Cohorts of undergraduate students are entitled to a maximum of three separate years of free accommodation which is approved by the Board on an annual basis; students in the scheme before 2017/18 also received an annual cost of living allowance of £3,000 (£4,000 for students in London) in addition to their rent-free accommodation.

Grants policy

Applications for scholarship awards again exceeded the number of awards published as being available in year for the forthcoming cycle. Trustees agreed a cohort of students to receive scholarship support at the annual Trustees' meeting in June. The agreed cohort reflected the published scholarship scheme priorities of:

- maintaining a balance of benefit between estranged and care leaver students
- reflecting a range of academic ability, course choice and protected characteristics under the Equality Act
- maintaining a balance of scholarship students at partner universities

Achievements and development

Scholarship scheme

The Unite Foundation Scholarship Scheme provides three separate years of purpose built student accommodation support for young people from a care or estranged background. The scheme works in partnership with a network of 29 universities with whom we identify potential candidates and collaborate on the pastoral support of selected students.

The Board awarded a further 90 individual scholarships in 2019 to young people from a care or estranged background engaged in university education.

Scholarships were available at the following universities:

Aston University
Bath Spa University
Bournemouth University
Brunel University London
De Montfort University
Edinburgh Napier University
Glasgow Caledonian University
Huddersfield University
King's College London
Kingston University London

Leeds Beckett University
Liverpool John Moores University
London Metropolitan University
Manchester Metropolitan University
Plymouth University
Queen Mary University of London
Robert Gordon University
Sheffield Hallam University
University of Bristol
University College London (UCL)

University of Edinburgh
University of Exeter
University of Portsmouth
University of Reading
University of Salford
University of Sheffield
University of Strathclyde
University of the West of England (UWE)
University of Westminster

Trustees' report (*continued*)

During 2018/19, Unite Students disposed of all properties in two cities; Plymouth and Huddersfield. 2018/19 Intake students, and all previous cohorts in these locations, continue to be supported by the Foundation, in partnership with the universities, via specific management arrangements. The Universities of Plymouth and Huddersfield were not open for new intakes from 2019/20 onwards.

Impact within targets for 2018/19 and goals for 2019/20

Research

After an open invitation to tender, we successfully commissioned landmark research 'what factors affect access, retention and graduate outcomes for students with a background of care or family estrangement; what practical recommendations would support positive outcomes for this group'. A consortium led by Sheffield Hallam University (supported by Standalone and the Rees Centre, Oxford University) undertook fieldwork during the year and will publish findings with recommendations for practitioners, policy makers and stakeholders in February 2020.

Outreach

We developed our communications and targeted stakeholder networks and channels resulting in 42% of our applicants (against a target of 30%) being aware of our support before engaging with their university. Over half of our university partners reported early contact with incoming students as a result of the scheme with over a third being able to identify young people already studying at the institution that were care leaver or estranged as result of the scholarship scheme incentive. Currently visible on all partner university websites, in 19/20 we will examine the ease of digital information for school-aged children from our target population, in response to anecdotal evidence that navigating HE support information is problematic and a barrier.

Transition to university

Our goal around 'transition to HE' training targeted specifically to care leaver and estranged young people was postponed pending a revision of operational activity and capacity. In its place we developed a 'Welcome Home Pack' for incoming students alongside a transition and early book-in communication strategy. A summer social media campaign, alongside Unite staff sporting challenges, raised funds for this purpose.

Scholarships

90 new awards were made in June taking the total 434 since the scheme began in 2012. 45 young people graduated in the summer (130 cumulative figure). The Foundation works in partnership with university and accommodation-provider welfare services to support the wellbeing of students and thus retention. The Foundation cumulative figure for non-continuation (a national data point analysing Year 1 to 2 drop-out of first time young students) sat at 7.5% comparing strongly to the latest available benchmark of 6.4%.

Supporting post-graduate outcomes

We fell short of our target to deliver 35 paid internship opportunities to underpin the skills development and progression of scholarship students, however the Foundation did work with corporate supporter, Glide, to provide multiple summer and a full year industry placement. Building on the learning from this year, in 19/20 we intend to develop a Unite Foundation career-coaching model for wider use, aligning with the Department for Education's Care Leaver Covenant initiative.

Governance

Reflecting a determination to add value at a policy level we appointed HE sector leaders Professors Andrea Daska and Shān Wareing to the Board, additionally recruiting Eluned Parrott as the Foundation's first Director to lead on sector influence nationally. We acted upon our Governance internal audit throughout the year developing pertinent policies to reflect the Charity Code, also scoping an external audit of Board effectiveness for 2019/20 as part of our unstinting focus on good governance.

Trustees' report (continued)

Financial review

Financial review for the year

The Trust received total donation income of £1,763,711 in the year (30 September 2018: £1,551,800) and received total investment income of £251,155 (30 September 2018: £261,489) from its units held in an endowment fund. The Trust had net assets of £7,124,425 as at 30 September 2019 compared to net assets of £6,725,051 as at 30 September 2018. This increase is a result of excess donation and investment income over charitable expenditure and support costs as well as a net gain on the investment held. Details of the financial performance are set out in the Statement of Financial Activities on page 10. The Trust continued to receive donations from the Unite Group and income from its asset of units in the USAF Fund.

Reserves policy

The Trust held positive reserves of £7,124,425 at 30 September 2019 (30 September 2018: £6,725,051) of which £5,805,119 relates to the investment units held in an endowment fund. At the end of the year, excluding the investment held within the endowment fund and restricted funds, the Trust held positive reserves of £1,319,306. In the Trustees' view, the reserves should provide the charity with sufficient resource to meet six months of operational commitment, which as at September 2019 is calculated at £1,070,182. This is a reflection of the obligations to Foundation scholarship beneficiaries and recognition that they should not be disadvantaged as a result of withdrawal of funding and/or accommodation within an academic year. The Trust's reserves policy incorporates 50% of the investment held and its working capital balances. In addition, Unite has provided the Trust with an undertaking that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the Trust.

Related parties

Unite made a cash donation of £1,740,600 to the Trust during the year (30 September 2018: £1,541,300). By the end of September 2019 the USAF units have increased in value to £5,805,119 (30 September 2018: £5,628,478) and dividends received were £251,155 for the year to 30 September 2019 (30 September 2018: £261,489). Nothing is due from the Trust to Unite in respect of this asset.

Unite has no involvement or influence over the Trust's activities and grant making decisions.

At 30 September 2019, £14,627 was due to Unite (30 September 2018: £12,138) in relation to reimbursed costs.

At 30 September 2019, no monies were due from Unite (30 September 2018: Enil) in relation to accrued donations which remained unpaid at the year end.

Trustees' analysis of key risks

The Foundation's principal risk is the reliance on donations from The Unite Group and income from units that the Foundation owns in USAF (previously donated by The Unite Group) in order for the Trust to continue supporting its scholars.

In order to mitigate this risk, the board is investigating options for income diversification to reduce the reliance on a single corporate donor, whilst recognizing the Foundation is a corporate foundation. This is consistent with the risk register, which is held at 'medium' in the light of the long-term commitment from the Unite Group Board and the asset-based income stream.

Going concern

The financial statements have been prepared on a going concern basis which the Trustees believe to be appropriate for the following reasons. The Trust holds an investment in the Unite UK Student Accommodation Fund (USAF) and is therefore not entirely dependent upon a recurrent donation from Unite for its income. In addition to the distribution income from USAF, Unite has provided the Trust with an undertaking that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the Trust. Further, the Trustees have the ability to vary their grant decisions based on investment income received in any period.

This should enable the Trust to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. The Trustees acknowledge that there can be no certainty that the financial support will continue beyond the current undertaking, although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Trustees' report (*continued*)

Disclosure of information to auditor

The Trustees, who held office at the date of approval of this Trustees' report confirm that, so far as they are each aware, there is no relevant audit information of which the charity's auditor is unaware; and each Trustee has taken all the steps that they ought to have taken as a Trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

By order of the Trustees



Trustee

JENNY SHAW

3 March 2020

Statement of Trustees' responsibilities

The trustees are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102: The financial reporting standard applicable in the UK.

The law applicable to charities in England and Wales and Scotland requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- 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 proper accounting records that 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 Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, the Charities and Trustee Investment (Scotland) Act 2005, and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps to prevent and detect fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the Trustees of The Unite Foundation

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of The Unite Foundation (the 'charity'):

- give a true and fair view of the state of the charity's affairs as at 30 September 2019 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and

have been prepared in accordance with the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

We have audited the financial statements which comprise:

- the statement of financial activities including income and expenditure;
- the balance sheet;
- the statement of cash flows; and
- the related notes 1 to 11.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Standard's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the trustees' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent auditor's report to the Trustees of The Unite Foundation (*continued*)

In preparing the financial statements, the trustees are responsible for assessing the charity'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 charity 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 as auditor under section 144 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with those Acts 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.

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

Report on other legal and regulatory requirements

Matters on which we are required to report by exception


Under the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 we are required to report in respect of the following matters if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.


Deloitte LLP
Statutory Auditor
Bristol, United Kingdom

3 March 2020

Deloitte LLP is eligible for appointment as auditor for the charity by virtue of its eligibility for appointment as audit of a company under section 1212 of the Companies Act 2006.¹

¹ Charity law requires that the audit report state that the auditor is eligible to act.

Statement of financial activities including income and expenditure
for the year ended 30 September 2019

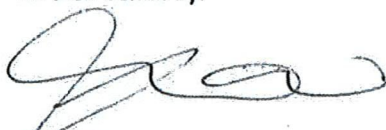
		Year ended 30 September 2019			Year ended 30 September 2018			
Note	Unrestricted funds £	Restricted funds £	Endowment funds £	£	Unrestricted funds £	Restricted funds £	Endowment funds £	£
Income from:								
Income from donations	1,763,711	-	-	1,763,711	1,551,800	-	-	1,551,800
Investment income	251,155	-	-	251,155	261,489	-	-	261,489
Total income	2,014,866	-	-	2,014,866	1,813,289	-	-	1,813,289
Expenditure on:								
Charitable expenditure –								
Grants	3 1,559,928	-	-	1,559,928	1,382,343	-	-	1,382,343
Support costs	3 7,964	-	-	7,964	10,402	-	-	10,402
Charitable expenditure –								
Other	3 224,242	-	-	224,242	125,553	2,674	-	128,227
Total expenditure	1,792,134	-	-	1,792,134	1,518,298	2,674	-	1,520,972
Net income before investment gains	222,732	-	-	222,732	294,991	(2,674)	-	292,317
Net gains on investments	-	-	176,642	176,642	-	-	232,111	232,111
Net income and movement in funds	222,732	-	176,642	399,374	294,991	(2,674)	232,111	524,428
Total funds brought forward	1,096,574	-	5,628,477	6,725,051	801,583	2,674	5,396,366	6,200,623
Total funds carried forward	7 1,319,306	-	5,805,119	7,124,425	1,096,574	-	5,628,477	6,725,051

The income and resulting net movement in funds arise from continuing operations.

Balance sheet
as at 30 September 2019

	Note	Unrestricted funds	Restricted Funds	Endowment Fund	30 September 2019	Unrestricted funds	Restricted Funds	Endowment Fund	30 September 2018
		£	£	£	£	£	£	£	£
Fixed assets									
Investments	4	-	-	5,805,119	5,805,119	-	-	5,628,478	5,628,478
Current assets									
Cash at bank and in hand		969,887	-	-	969,887	838,861	-	-	838,861
Debtors	5	445,877	-	-	445,877	312,885	-	-	312,885
		<u>1,415,764</u>	<u>-</u>	<u>-</u>	<u>1,415,764</u>	<u>1,151,746</u>	<u>-</u>	<u>-</u>	<u>1,151,746</u>
Creditors: amounts falling due within one year	6	(96,458)	-	-	(96,458)	(55,172)	-	-	(55,172)
Net current assets		<u>1,319,306</u>	<u>-</u>	<u>-</u>	<u>1,319,306</u>	<u>1,096,574</u>	<u>-</u>	<u>-</u>	<u>1,096,574</u>
Net assets		<u>1,319,306</u>	<u>-</u>	<u>5,805,119</u>	<u>7,124,425</u>	<u>1,096,574</u>	<u>-</u>	<u>5,628,478</u>	<u>6,725,052</u>
Funds									
Restricted funds	7	-	-	-	-	-	-	-	-
Endowment funds	7	-	-	5,805,119	5,805,119	-	-	5,628,477	5,628,477
Unrestricted funds	7	1,319,306	-	-	1,319,306	1,096,574	-	-	1,096,574
		<u>1,319,306</u>	<u>-</u>	<u>5,805,119</u>	<u>7,124,425</u>	<u>1,096,574</u>	<u>-</u>	<u>5,628,477</u>	<u>6,725,051</u>

These financial statements were approved by the trustees on 3 March 2020 and were signed and authorised for issue on their behalf by:


Jenny Shaw, Trustee

3 March 2020

Statement of cash flows
for the year ended 30 September 2019

	<i>Note</i>	Year ended 30 September 2019 £	Year ended 30 September 2018 £
Cash generated from operating activities			
Net cash (used in)/provided by operating activities	CF1	(120,129)	379,739
 Cash generated from investing activities			
Dividends from investments		251,155	261,489
Net cash provided by investing activities		251,155	261,489
 Net increase/(decrease) in cash and cash equivalents		131,026	641,228
 Cash brought forward 1 October		838,861	197,633
 Cash carried forward 30 September		969,887	838,861
 Cash flow note 1 (CF1)			
Operating surplus		222,732	292,317
(Increase)/decrease in debtors		(132,992)	402,957
Increase/(decrease) in creditors		41,286	(54,046)
Dividend income		(251,155)	(261,489)
 Net cash (used in)/provided by operating activities		(120,129)	379,739

Notes to the financial statements

1 Accounting policies

The Unite Foundation is a Charitable Trust, established by The Unite Group plc ("Unite") under a Trust Instrument dated 7 December 2011 and registered with the Charity Commission in England and Wales on 21 May 2012 (registration number 1147344) and Scotland (registration number SC043324). The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the charity's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements have been prepared under the historical cost convention as modified by financial instruments recognised at fair value. The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Trust constitutes a public benefit entity as defined by FRS 102.

The principal accounting policies are set out below.

Going concern

The financial statements have been prepared on a going concern basis which the Trustees believe to be appropriate for the following reasons. The Trust holds an investment in the Unite UK Student Accommodation Fund (USAF) and is therefore not entirely dependent upon a recurrent donation from Unite for its income. In addition to the distribution income from USAF, Unite has provided the Trust with an undertaking that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the Trust. Further, the Trustees have the ability to vary their grant decisions based on investment income received in any period.

This should enable the Trust to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. The Trustees acknowledge that there can be no certainty that the financial support will continue beyond the current undertaking, although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the monetary value of incoming resources can be measured with sufficient reliability.

Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources.

Grants are offered subject to specific conditions being met by the recipient, grant expenditure is recognised as these conditions are met as it is at this point it is considered probable that economic benefit will transfer. Where conditions have not been met at the balance sheet date, and remain at the Trust's discretion, a commitment is disclosed in the financial statements, but not accrued as expenditure. Grants are approved on an annual basis by the Trustees.

Notes to the financial statements (continued)

1 Accounting policies (continued)

Investments

Investments are held at market value.

Financial instruments

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs).

Debtors are recognised at the settlement amount due. Cash at bank and cash in hand includes cash at bank. Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that it is probable will result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Funds

Unrestricted - These are funds which can be used in accordance with the charitable objects at the discretion of the Trustees.

Restricted – These are funds which are restricted by the donor for a particular purpose and are therefore held separately from unrestricted funds.

Endowment – Units held with USAF which were donation with the condition that they are not able to be disposed of without consent of the original donor therefore are treated as a permanent capital endowment. Investment income relating to this endowment fund is unrestricted and can be used in the furtherance of the charitable objectives.

Taxation

The Unite Foundation is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable trust for UK income tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 10 Income Tax Act 2007 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Value Added Tax suffered by the charity is irrecoverable and included as part of the cost to which it relates.

Critical accounting judgements and key sources of estimation uncertainty

In applying the charity's accounting policies, the Trustees may be required to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The area involving the most sensitive estimates and assumptions that are significant to the financial statements is the valuation of the investment in USAF, a Unit Trust based in Jersey. The year-end valuation has been based on the quarter-end unit price provided by the Trust.

No further areas of accounting judgement or estimation have been identified.

Notes to the financial statements *(continued)*

1 Net incoming resources and expenditure for the year

	Year ended 30 September 2019 £	Year ended 30 September 2018 £
<i>Net incoming resources and expenditure for the year are stated after charging:</i>		
Auditor's remuneration – audit	11,000	10,200

The 2019 audit fee of £11,000 differs to the charge of £7,200 in note 3 due to an accrual release from the previous year. There are no non-audit fees in the current or prior year.

2 Employees

The charity employed four members of staff during the year (30 September 2018: two). One of them is considered to be a key management personnel employed by the charity.

	Year ended 30 September 2019 £	Year ended 30 September 2018 £
Wages and salaries	126,959	74,219
Social security costs	9,170	6,064
Other pension costs	6,693	2,369
	142,822	82,652

No employee had salary and benefits of over £60,000 (30 September 2018: no employee had salary and benefits of over £60,000) and no remuneration was paid to Trustees (30 September 2018: £nil).

Notes to the financial statements (continued)

3 Expenditure

	Year ended 30 September 2019 £	Year ended 30 September 2018 £
Support costs		
Auditor's remuneration – audit	7,200	10,200
Trustee's travel expenses	7	24
Other expenses	757	178
	<u> </u>	<u> </u>
	7,964	10,402
	<u> </u>	<u> </u>
 Charitable expenditure -other		
Communications	9,521	37,695
Salaries	142,822	82,652
Research	50,567	-
Other	21,332	7,880
	<u> </u>	<u> </u>
	224,242	128,227
	<u> </u>	<u> </u>
 Charitable activities – Grants payable		
Student bursaries	130,505	246,569
Student rental payments	1,429,423	1,135,774
Other	-	-
	<u> </u>	<u> </u>
	1,559,928	1,382,343
	<u> </u>	<u> </u>

All support costs have been allocated to one charitable activity relating to the charitable objectives of the Foundation. In addition all grants are made to individuals through 29 Partnership universities as set out in the Trustees' Report.

Notes to the financial statements (continued)

4 Investments

In 2016, Unite made a donation of 4,128,819 units in the Unite UK Student Accommodation Fund (USAF) to the Trust. USAF is a Jersey-based Unit Trust. The investment is held at market value. Nothing is due from the Trust to Unite in respect of this donation. These investments are held as an endowment fund as they are unable to be disposed of without the consent of Unite.

	£
Market value at 1 October 2018	5,628,477
Additions to investments	-
Net unrealised investment gains	176,642
	<hr/>
Carrying value at 30 September 2019	5,805,119
	<hr/>

Historic cost £4,938,068 (one donation from Unite).

Analysis of investments

	£
Unit Trust	5,805,119
	<hr/>

5 Debtors

	30 September 2019 £	30 September 2018 £
Prepayments	445,877	312,885
Amounts due from related parties	-	-
	<hr/>	<hr/>
	445,877	312,885
	<hr/>	<hr/>

6 Creditors: amounts falling due within one year

	30 September 2019 £	30 September 2018 £
Accruals and deferred income	81,831	43,034
Amounts due to related parties	14,627	12,138
	<hr/>	<hr/>
	96,458	55,172
	<hr/>	<hr/>

Notes to the financial statements *(continued)*

7 Funds

	30 September 2019	30 September 2018
Unrestricted funds	£	£
At 1 October	1,096,574	801,583
Total income	2,014,866	1,813,289
Total expenditure	(1,792,134)	(1,518,298)
	<u> </u>	<u> </u>
At 30 September	1,319,306	1,096,574
	<u> </u>	<u> </u>
Restricted	£	£
At 1 October	-	2,674
Total income	-	-
Total expenditure	-	(2,674)
	<u> </u>	<u> </u>
At 30 September	-	-
	<u> </u>	<u> </u>

There were no restricted funds in the year to September 2019. The restricted funds in the year to September 2018 relate to a donation from Debretts Foundation which had been restricted for use in the provision of training in social confidence and employability to more scholars during the academic year 2017/18.

Endowment fund	£	£
At 1 October	5,628,477	5,396,366
Net gain on investments	176,642	232,111
	<u> </u>	<u> </u>
At 30 September	5,805,119	5,628,477
	<u> </u>	<u> </u>

8 Trustees' remuneration and expenses

No Trustee received any remuneration from the Trust during the year (30 September 2018: £nil).

One Trustee received reimbursement of travel expenses totaling £7 during the year (30 September 2018: three Trustees totaling £24).

Notes to the financial statements *(continued)*

9 Commitments

At 30 September 2019, the Trust has outstanding commitments of £1,727,912 (30 September 2018: £1,530,453) in respect of bursaries relating to the 2019/20 academic year which were granted prior to 30 September 2019 where the conditions associated with the grant have not yet been met, refer to expenditure accounting policy within note 1 to the financial statements. The timing of settlement of these commitments are within the next 12 months until the end of the 2019/20 academic year. Funding of this commitment will be from cash donations received, the Foundation's existing cash balance and distributions received from the investment in USAF units.

There were no capital commitments as at the balance sheet date.

10 Related party transactions

The Unite Foundation received a donation of £1,740,600 from the Unite Group during the year (30 September 2018: £1,541,300).

In 2016, Unite made a donation of 4,128,819 units in the Unite UK Student Accommodation Fund (USAF) to the Trust. At the time of the donation these units were valued at £4,938,068. By September 2019, the units have increased in value to £5,805,119. Nothing is due from the Trust to Unite in respect of this donation. The units cannot be disposed of without consent of the original donor therefore are treated as a permanent capital endowment. Investment income relating to this endowment fund is unrestricted and can be used in the furtherance of the charitable objectives.

At 30 September 2019, £14,627 was due to Unite (30 September 2018: £12,138) in relation to reimbursed costs.

At 30 September 2019, no monies were due from Unite (30 September 2018: £nil) in relation to accrued donations which remained unpaid at the year end.

No Trustee received any remuneration directly from the Trust during the current or prior year. Becca Bland (former Trustee, resigned 27th June 2019) was part of a consortium appointed by the Trust to undertake a research commission during 2018/19 and therefore indirectly benefitted from charitable expenditure.

Unite has no involvement or influence over the Trust's charitable activities and grant making decisions.

11 Controlling party

In the opinion of the Trustees there is no controlling party as defined by FRS102 section 33, 'Related party disclosures'.