

ASHOKA UK

TRUSTEES' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2019

Charity registration number: 1113246
Company registration number: 04903565

Ashoka UK

Trustees' Report and Accounts

Year Ended 31 August 2019

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Ashoka UK

Charity Reference and Administrative Details

Year Ended 31 August 2019

Charity registration number	1113246
Company registration number	04903565
Country Director	Philippa Wheaton Elena Gibson Veronica Gravning
Registered office	20-30 Whitechapel Road London E1 1EW
Auditor	PKF Littlejohn LLP 15 Westferry Circus London E14 4HD
Solicitor	Latham & Watkins (London) LLP 99 Bishopsgate London EC2M 3XF
Bankers	Lloyds Bank 399 Oxford Circus London W1C 2BU

Ashoka UK

Trustees' Annual Report (Including Directors Report and Strategic Report)

Year Ended 31 August 2019

The Trustees present their report and the audited financial statements of Ashoka UK ('the Charity') for the year ended 31 August 2019.

The report and financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the Charity's governing document, the Charities Act 2011, the Companies Act 2006 and the Statement of Recommended Practice "Accounting and Reporting by Charities".

Trustees of the Charity

The Trustees of the Charity are also the Directors for the purposes of company law. The Trustees who have served during the year and since the year end were as follows:

Amy Neugebauer
Bill Carter (Appointed 15 February 2020)
Christopher Underhill (Appointed 1 July 2019)
Edward Fidoe (Resigned 1 November 2019)
Fabienne Serfaty (Resigned 14 February 2020)
Konstanze Frischen (Resigned 1 November 2019)
Lucy Perkins
Shauneen Lambe (Resigned 30 June 2019)

Objectives and activities

Ashoka UK is a subsidiary of Ashoka, a global non-profit organisation headquartered in the US, with 501 (c) status and registered address of 1700 North Moore Street, Suite 2000, Arlington, VA, 1939, USA, from now on referred to as "Ashoka Global".

Ashoka Global, together with its offices and subsidiaries over the world including Ashoka UK (together as "Ashoka"), envisions a global community that responds quickly and effectively to social challenges, where everyone has the freedom, confidence and societal support to address any societal problem and make change. This global community spreads innovation and the desire to change, such that everyone finds within themselves the potential to be changemakers.

Social entrepreneurs are the engines of change and role models for the citizen sector. Ashoka identifies and invests in leading social entrepreneurs ("Ashoka Fellows") – entrepreneurs working to achieve positive social impact – supporting the individual, idea, and institution through all phases of their career. Ashoka engages communities of entrepreneurs and develops patterns of effective collaborations that accelerate and spread social impact. Ashoka encourages the creation of sustainable systemic social solutions to support and accelerate progress within the community. Systems include: access to social financing, bridges to business and academic sectors, and frameworks for strategic partnerships that deliver social and financial value.

Ashoka works to define and strengthen the field of social entrepreneurship, including spreading the innovations of both individual social entrepreneurs and those developed cooperatively among social entrepreneurs working on common or related problems. This includes publications, professional training of social entrepreneurs in communications, and Ashoka's web presence. Ashoka makes disbursements of funds in support of these objectives directly to individuals and groups as well as through affiliated groups and its own regional and country branches in East Asia, Southeast Asia, South Asia, Africa, South America, Mexico/the Caribbean Basin/Central America, Europe, North America, and Middle East/North Africa.

In the UK, Ashoka UK has been building a network of the UK's leading social entrepreneurs for over 10 years. Our network begins with social entrepreneurs and extends beyond the social enterprises of the charity sector, including people who are leading changes in other fields as well – particularly in business and education.

In setting the objectives and planning the activities of the Charity, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit. The objects for which the Charity is established, as set out in the Memorandum and Articles of Association, are to support and promote such one or more exclusively charitable purposes anywhere in the world as the Charity shall determine. "Charitable" shall have the meaning assigned to it by the law for the time being in force in England and Wales. "Charitable"

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Trustees' Annual Report (Including Directors Report and Strategic Report)

Year Ended 31 August 2019

purposes" shall mean such purposes (whether effected or to be effected) as shall for the time being be exclusively charitable purposes.

The ways in which the Charity fulfils its objectives are by:

- Selecting and supporting Ashoka Fellows (at the end of August 2019, we elected 46 social entrepreneurs as Ashoka Fellows in the UK, 14 in the Republic of Ireland, and 2 in Northern Ireland);
- Supporting change leaders from other fields (at the end of August 2019, 15 Changemaker Schools in the UK had been selected to be part of a network of education change leaders, and nearly 40 Ashoka Support Network members – individual philanthropists and business leaders – had joined a network of peers);
- Engaging businesses and sector organisations through our partnership strategy; and
- Raising funds for Ashoka UK to support its core charitable activities.

Strategic Report

Structure, governance and management

Ashoka UK is a Charity (registered number 1113246) and a Company limited by guarantee with no share capital (registered number 04903565). The governing document is the Memorandum and Articles of Association. The Company was incorporated in 2003 and commenced activity in March 2006.

Under the Memorandum and Articles of Association, the Charity has the power to invest the monies of the Company not immediately required for its purpose in such investments as its board of Trustees (who are also the Company's directors) consider appropriate, subject to any conditions or consents imposed by law.

The Trustees are required to monitor the affairs and the general business of the Charity and meet as required. Trustees are selected for their expertise in areas relevant to the work of the Charity. New trustees are inducted with a history of the Charity and its aims and relevant financial and administrative information.

Remuneration for key management personnel is set in accordance to our internal level and salary framework, which provides salary brackets for each of the internal levels. This framework was developed by an external party and benchmarked against the UK charity sector.

Achievements and performance

The Charity has three main charitable activities.

Identifying and supporting social entrepreneurs

- a) Finding leading social entrepreneurs to join our network as "Ashoka Fellows".
- b) Supporting Ashoka Fellows in key strategic needs by connecting them with different partners, and helping them develop and achieve their systems change strategy.

Supporting young people to be changemakers

- a) Working to support leaders in the education space (schools, policy making bodies, non-profit organisations, apex bodies etc.), including (but not limited to) 15 schools who were selected as "Changemaker Schools" in the UK.

Supporting the ecosystem of social entrepreneurship

- a) Running programmes with partners working in the social entrepreneurship sector, in order to support their learning on topical issues such as systems change and social finance.
- b) Developing knowledge assets that can be shared with partners and others working in the sector to support the continued improvement of those working on social issues and supporting social innovation.
- c) Building a community of individuals committed to creating social change, coming together for peer learning and mutual support (including Ashoka Fellows and Ashoka Support Network members).

Trustees' Annual Report (Including Directors Report and Strategic Report)

Year Ended 31 August 2019

In FY2019, the Charity elected 2 new Ashoka Fellows and continued to work with the existing community, comprising of over 60 Ashoka Fellows (across UK and Ireland), 15 Changemaker Schools and nearly 40 individuals in the Ashoka Support Network. The Charity also worked with several corporate and foundation partners to support the ecosystem of social entrepreneurship in FY2019. One of our highlights was partnering with the Royal Society for the Encouragement of Arts, Manufactures and Commerce ("RSA") on a project sponsored by Rothschild & Co to test new models of civic leadership and new levels of collaboration to transform how young people grow up, through increasing access to opportunity and learning for young people in a way that creates deep and lasting social change.

Financial review

During the financial year 2019, £1,184,879 was received by the Charity in donations (£896,261 of this funding being unrestricted funding and £288,618 being restricted funding). The total expenditure for financial year 2019 was £1,172,116. The Charity ended the year with a surplus of £12,763.

The funding sources for financial year 2019 are typical of the Charity's annual income mix. The principal funding sources fall into four categories:

1. **Individual donations:** These are all categorised as unrestricted funding. The majority of these donations came from a group of individuals, "Ashoka Support Network members", who make regular annual donations. They normally make a pledge to donate £8,000 to £10,000 per year, with an initial commitment of three years. Besides financial support, the Ashoka Support Network members also provide support to the Ashoka Fellows (who are the social entrepreneurs that Ashoka works with), through professional advice and coaching. The rest of the individual donations came from one-off donations from other individuals.
2. **Corporate partnerships:** This is a mix of restricted and unrestricted funds. In FY2019 the majority of this funding was used to support the ecosystem of social entrepreneurs, and to foster social innovation and co-creation with social entrepreneurs.
3. **Foundations:** This is a mix of restricted and unrestricted funds. In FY 2019 the majority of this funding was used to support the wider UK ecosystem of social entrepreneurs and supporting young people to be changemakers.
4. **Other Ashoka Offices:** These are donations from other offices of the Ashoka Group. The majority is unrestricted.

There are two main factors that have the potential to impact future financial performance, which are being monitored by the Trustees and mitigation plans are in place.

1. **Brexit:** The situation around "Brexit" continues to be monitored, in particular on the potential new regulations and requirements that could restrict the Charity's ability to fundraise in the UK and beyond. We anticipate an impact to the UK fundraising environment, especially the grant-giving ability and willingness of high net worth individuals and companies, two of the Charity's main funding sources. The Charity works closely with other Ashoka European offices to ensure the diversity of our source of funding.
2. **COVID-19:** The pandemic is expected to slow the global economy, and possibly lead to the worst recession in decades. The Charity's long-term fundraising ability is expected to deteriorate with the global fundraising market. The Charity is working closely with Ashoka Global and Ashoka offices across the globe on contingency planning; we have also put in place a plan to investigate its own financial standing frequently.

The "Principal risks & uncertainties" section below discusses further the impact of COVID-19 on the Charity.

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Trustees' Annual Report (Including Directors Report and Strategic Report)

Year Ended 31 August 2019

Reserves policy

The Reserves Policy is set out to ensure that Ashoka UK (the "Charity") maintains a level of easily accessible funds ("reserves") so that it can continue its core activities during a period of unforeseen financial difficulties.

The Reserves Policy is set to determine the reserves level needed to pay for the Charity's core operational expenditures over a minimum of three months, should no funding be available.

The Charity's Target Unrestricted Reserves as at 31 August 2019 was approximately £215,700.

At 31 August 2019, the Charity held unrestricted funds of £212,266. The Trustees consider the shortfall of £3,434 immaterial and does not pose a risk.

Principal risks and uncertainties

The Trustees and management team have a risk register that is reviewed and updated at least annually. At present this covers 16 potential risks in four categories, where mitigating actions are identified and implemented: financial, reputational, operational and compliance. As highlighted in the previous section, the impact by COVID-19 is noted in the register, and is related to a few of the high-risk areas identified.

On the operational side, the travel bans and lockdown in the UK have meant that the Charity cannot host in-person events for the time being. The team reacted quickly to the change in circumstances and were able to deliver an important event virtually instead, towards the end of March 2020. This demonstrated, both externally and internally, that we were able to cope and still deliver impact in this challenging time.

The management team instructed all staff and volunteers to work from home the week before the lockdown in the UK was official, and ensured everyone was able to work in a safe and desirable environment. As all systems and records are accessible online, and have been for the past few years, the team saw a relatively smooth transition. The basic business operations experienced almost no disruptions.

One of the biggest challenges with COVID-19 was to stay connected with the Charity's community and network. The team managed to reach out to many Ashoka Support Network members and network partners since the UK lockdown, and almost all of them reaffirmed their commitments to Ashoka. At the same time, the team is working closely with the many different Ashoka offices across the globe to find creative solutions to support our Fellows. Furthermore, Ashoka UK is collaborating with sector partners in the UK in hope to get a "Solidarity Fund" off the ground to support social entrepreneurs in the UK.

The management team is acutely aware of the risks the Charity currently faces, and therefore is actively monitoring the situation while operating under prudent assumptions. The Charity produces monthly leadership reports for the Trustees to reflect on the financial impact of the COVID-19 pandemic. Whilst there are uncertainties on the income streams, given the full impact on the fundraising market is yet to be known, the Charity maintains a clear view and tight control on its expenses. The management team has identified various cost-cutting measures that are available, with plans in place to ensure timely implementation of them. The Charity's risk register is also updated recently, with appropriate risk mitigations being put into action.

The Trustees have considered their forecasts in relation to the potential impact of COVID-19 and although they consider that Ashoka UK is a going concern for at least the next 12 months, due to the significant nature of the COVID-19 pandemic of which the timeline and ultimate impact is not yet known, the Trustees conclude it is appropriate to recognise that there is a material uncertainty in place.

Ashoka UK

Trustees' Annual Report (Including Directors Report and Strategic Report)

Year Ended 31 August 2019

Plans for future periods

In coming years the Charity plans to continue the core activities with the following focus:

Identifying and supporting social entrepreneurs

- a) Electing 3-6 new "Ashoka Fellows" per year, with an increasing focus on the diversity and geographic spread of the candidates. We are doing this by diversifying our network of nominators, by increasing our presence in key geographies (directly and through partnerships), and proactively engaging with others in the sector around the topic of diversity.

Supporting young people to be changemakers

- a) We will work to support leaders in the education space (schools, policy making bodies, non-profit organisations, apex bodies etc.), primarily through convening.

Supporting the ecosystem of social entrepreneurship

- a) We will continue to run programmes with partners working in the social entrepreneurship sector - supporting learning on topical issues such as systems change and social finance.
- b) We will continue to develop knowledge assets that can be shared with partners and others working in the sector to support the continued improvement of those working on social issues and supporting social innovation.
- c) We will continue to grow and strengthen the community of change makers that are part of the Ashoka Support Network and the Ashoka Fellowship.


Disclosure of information to the auditors

We, the Directors of the Company who held office at the date of approval of these Financial Statements, as set out above each confirm, so far as we are aware, that:

- There is no relevant audit information of which the Company's auditors are unaware of; and
- We have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

In approving the Trustees' Annual Report, we also approve the Strategic Report included therein, in our capacity as Company Directors.

On behalf of the Board

Signature:  Bill Carter (May 27, 2020 08:26 EDT)

Name: Bill Carter

Position: Chair of Board of Trustees

Date: 27 May 2020

Statement of Trustees' Responsibilities

Year Ended 31 August 2019

The Trustees are responsible for preparing the Trustees' Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales 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 during the year and of its financial position at the end of the 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 of the Charities' SORP;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- Prepare the Financial Statements on the going concern basis unless it is inappropriate to assume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to 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 taking reasonable steps for the prevention and detection of fraud and other irregularities.

Ashoka UK

Independent Auditor's Report

Year Ended 31 August 2019

Opinion

We have audited the financial statements of Ashoka UK (the 'charitable company') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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.

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2019 and of its 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 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.

Material uncertainty related to going concern

We draw attention to note 1a in the financial statements, which discusses the significant nature and potential impact of the COVID-19 pandemic. As stated in note 1a, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the charitable company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The other information comprises the information included in the Trustees' Annual Report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's Report

Year Ended 31 August 2019

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the strategic report and the directors' report) 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 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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


Ashoka UK

Independent Auditor's Report

Year Ended 31 August 2019

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.


Alastair Duke (May 27, 2020 14:31 GMT+1)

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

15 Westferry Circus
Canary Wharf
London E14 4HD

Date: 27 May 2020

Ashoka UK

Statement of Financial Activities (Incorporating an Income and Expenditure Account)

Year Ended 31 August 2019

	Note	2019 Unrestricted funds £	2019 Restricted funds £	2019 Total £	2018 Total £
Income from:					
Donations and grants	2	896,261	288,618	1,184,879	1,190,825
Interest income		-	-	-	-
Total income		<u>896,261</u>	<u>288,618</u>	<u>1,184,879</u>	<u>1,190,825</u>
Expenditure on:					
Raising funds		71,824	17,424	89,248	85,013
Charitable activities	3	862,802	220,066	1,082,868	1,083,268
Total expenditure		<u>934,626</u>	<u>237,490</u>	<u>1,172,116</u>	<u>1,168,281</u>
Net income / (expenditure)		<u>(38,365)</u>	<u>51,128</u>	<u>12,763</u>	<u>22,544</u>
Net movement in funds	10	<u>(38,365)</u>	<u>51,128</u>	<u>12,763</u>	<u>22,544</u>
Reconciliation of funds:					
Total funds brought forward	10	250,631	213,509	464,140	441,596
Total funds carried forward	10	<u>212,266</u>	<u>264,637</u>	<u>476,903</u>	<u>464,140</u>

All income and expenditure derive from continuing activities. The statement of financial activities includes all gains and losses recognised during the year.

The notes on pages 13 to 22 form part of these financial statements.

Ashoka UK


Balance Sheet

Year Ended 31 August 2019

	Note	2019 £	2018 £
Current assets			
Debtors	8	190,119	278,974
Cash at bank and in hand		705,049	334,911
		<u>895,168</u>	<u>613,885</u>
Creditors: amounts falling due within one year	9	418,265	149,745
Net current assets		<u>476,903</u>	<u>464,140</u>
Net assets		<u>476,903</u>	<u>464,140</u>
Charity Funds			
Restricted funds	10	264,637	213,509
Unrestricted funds	10	212,266	250,631
Total charity funds	10	<u>476,903</u>	<u>464,140</u>

The financial statements were approved and authorised for issue by the Board on 27 May 2020.

Signed on behalf of the Board of Trustees:

Signature: 
Bill Carter (May 27, 2020 08:26 EDT)

Name: Bill Carter

Position: Chair of Board of Trustees

Date: 27 May 2020

The notes on pages 13 to 22 form part of these financial statements.

Company registration number: 04903565

Ashoka UK

Statement of Cash Flows

Year Ended 31 August 2019

	Note	2019 £	2018 £
Cash flow from operating activities	12	370,138	29,358
Net cash flow provided by / (used in) operating activities		<u>370,138</u>	<u>29,358</u>
Change in cash and cash equivalents in the year		370,138	29,358
Cash and cash equivalents at 1 Sep 2018 / 1 Sep 2019		334,911	305,553
Cash and cash equivalents at 31 Aug 2019 / 31 Aug 2018		<u>705,049</u>	<u>334,911</u>
Cash and cash equivalents consists of:			
Cash at bank and in hand		705,049	334,911
Cash and cash equivalents at 31 Aug 2019 / 31 Aug 2018		<u>705,049</u>	<u>334,911</u>

The notes on pages 13 to 22 form part of these financial statements.

1 Summary of significant accounting policies

(a) General information and basis of preparation

Ashoka UK is a Charity (registered number 1113246) and a Company limited by guarantee with no share capital (registered number 4903565) in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The address of the registered office is given in the charity information on page 1 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 (effective 1 January 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Trustees have considered their forecasts in relation to the potential impact of COVID-19 and although they consider that Ashoka UK is a going concern, due to the significant nature of the COVID-19 pandemic of which the timeline and ultimate impact on cashflow is not yet known, the Trustees conclude it is appropriate to recognise that there is a material uncertainty in place. Therefore, the financial statements are prepared on a going concern basis under the historical cost convention.

The financial statements are prepared in sterling which is the functional currency of the charity.

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

(b) Funds

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

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

(c) Income recognition

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

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

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity, for example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

Notes to the Financial Statements

Year Ended 31 August 2019

(c) Income recognition (continued)

Income from 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.

Interest income is recognised when it is receivable.

(d) Expenditure recognition

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

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

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

(e) Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, and project management costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources, being pro-rata against the level of direct costs incurred in each area of activity.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

The analysis of these costs is included in note 3.

Notes to the Financial Statements

Year Ended 31 August 2019

(f) 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.

(g) 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.

(h) Foreign currency

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

(i) 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.

(j) Leases

Rentals payable under operating leases are charged to the SoFA on a straight-line basis over the period of the lease.

2 Income from donations and grants

	2019 Unrestricted £	2019 Restricted £	2019 Total £	2018 Total £
Individual donations from the Ashoka Support Network	240,412	-	240,412	300,171
Other individual donations	69,014	-	69,014	85,462
Gift aid	31,598	-	31,598	33,590
Trusts and family foundations donations	29,739	82,500	112,349	276,613
Corporate donations	142,463	199,500	341,963	140,500
Donated services	34,675	-	34,675	72,339
Other Ashoka Offices	348,360	6,618	354,978	282,150
	<u>896,261</u>	<u>288,618</u>	<u>1,184,879</u>	<u>1,190,825</u>

Notes to the Financial Statements

Year Ended 31 August 2019

3 Analysis of expenditure on charitable activities

	Direct Activities 2019 £	Support costs 2019 £	Total 2019 £
Social Entrepreneurs	355,727	192,284	548,011
Changemaker Education	172,662	93,331	265,993
Changemaker Ecosystem Building	174,526	94,338	268,864
	702,915	379,953	1,082,868

	Direct Activities 2018 £	Support costs 2018 £	Total 2018 £
Social Entrepreneurs	253,070	193,813	446,883
Changemaker Education	126,730	97,056	223,786
Changemaker Ecosystem Building	233,656	178,943	412,598
	613,456	469,812	1,083,268

£220,066 (2018: £388,979) of the above costs were attributable to restricted funds. £862,802 (2018: £694,289) of the above costs were attributable to unrestricted funds.

4 Allocation of support costs

Support cost	Raising funds 2019 £	Social Entrepreneur 2019 £	Changemaker Education 2019 £	Changemaker Ecosystem 2019 £	Total 2019 £
Governance	4,029	24,740	12,008	12,138	52,915
Finance	11,819	72,571	35,225	35,605	155,220
Human resources	5,320	32,665	15,855	16,025	69,865
Office costs	9,067	55,672	27,022	27,314	119,075
Media and communications	1,081	6,636	3,221	3,256	14,194
Total	31,316	192,284	93,331	94,338	411,269

Support costs have been allocated pro-rata to the level of direct costs on each activity.

Notes to the Financial Statements

Year Ended 31 August 2019

4 Allocation of support costs (continued)

Support cost	Raising funds 2018 £	Social Entrepreneur 2018 £	Changemaker Education 2018 £	Changemaker Ecosystem 2018 £	Total 2018 £
Governance	6,787	35,675	17,865	32,937	93,264
Finance	10,389	54,611	27,348	50,421	142,769
Human resources	9,543	50,166	25,122	46,317	131,148
Office costs	9,783	51,426	25,752	47,480	134,441
Media and communications	367	1,935	969	1,788	5,059
Total	36,869	193,813	97,056	178,943	506,681

Support costs have been allocated pro-rata to the level of direct costs on each activity.

5 Auditor's remuneration

	2019 £	2018 £
Fees payable to the charity's auditor for the audit of the charity's annual accounts	8,270	8,030
Fees payable to the charity's auditor for other services:	2,300	2,230
	<u>10,570</u>	<u>10,260</u>

6 Trustees' and key management personnel remuneration and expenses

The Trustees neither received nor waived any remuneration for their role as Trustees (2018: £Nil).

The total amount of employee benefits received by key management personnel during the year was £135,979 (2018 - £105,497). The increase is due to a change in management, where there were three key management personnel (2018: two). The new Director commenced her role in July 2019 (2 months in 2019).

The Trustees did not have any expenses reimbursed or paid directly on their behalf during the year (2018 - £Nil).

Ashoka UK

Notes to the Financial Statements

Year Ended 31 August 2019

7 Staff costs and employee benefits

The average monthly headcount was 15.8 staff (2018: 13.8 staff) and the average monthly number of full-time equivalent employees (FTE) during the year was as follows:

	2019 FTE	2018 FTE
Raising funds	0.8	0.6
Charitable activities	8.0	8.9
Support services	2.7	3.2
	<hr/> 11.5	<hr/> 12.7
	<hr/>	<hr/>

The total staff costs and employee benefits were as follows:

	2019 £	2018 £
Wages and salaries	517,608	471,937
Social security	51,841	60,126
Defined contribution pension costs	10,063	10,657
	<hr/> 579,512	<hr/> 542,720
	<hr/>	<hr/>

One employee received total employee benefits (excluding employer pension costs) of between £60,000 and £70,000 in the year (2018: None).

8 Debtors

	2019 £	2018 £
Trade debtors	25,000	37,536
Prepaid expenses	7,912	-
Amounts owed by other Ashoka entities	157,207	241,438
	<hr/> 190,119	<hr/> 278,974
	<hr/>	<hr/>

9 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	9,732	2,987
Amounts owed to other Ashoka entities	36,438	37,491
Stipend Payable	78,936	97,504
Accruals and deferred income	293,159	12,312
Other creditors	-	(551)
	<hr/> 418,265	<hr/> 149,745
	<hr/>	<hr/>

Notes to the Financial Statements

Year Ended 31 August 2019

10 Fund reconciliation

Unrestricted funds

	Balance at 1 Sept 2018 £	Income £	Expenditure £	Balance at 31 Aug 2019 £
Unrestricted	250,631	896,261	(934,626)	212,266
	<hr/> 250,631	<hr/> 896,261	<hr/> (934,626)	<hr/> 212,266
	<hr/>	<hr/>	<hr/>	<hr/>

	Balance at 1 Sept 2017 £	Income £	Expenditure £	Balance at 31 Aug 2018 £
Unrestricted	192,254	944,892	(886,515)	250,631
	<hr/> 192,254	<hr/> 944,892	<hr/> (886,515)	<hr/> 250,631
	<hr/>	<hr/>	<hr/>	<hr/>

Restricted funds

	Balance at 1 Sept 2018 £	Income £	Expenditure £	Balance at 31 Aug 2019 £
UBS Switzerland	29,913	-	(29,913)	-
Lego Foundation	(6,274)	6,618	(344)	-
Fondation Primat	28,255	-	(28,255)	-
Big Lottery fund	13,326	20,000	(28,326)	5,000
Sodexo	1,786	-	(1,786)	-
University Hamburg	148,204	-	(57,693)	90,511
David Cock Foundation	-	25,000	(25,000)	-
HSBC Climate Change	-	-	-	-
Globalizer	-	134,500	(20,320)	114,180
HSBC Birmingham SDGs	-	25,000	(13,581)	11,419
Lucille Foundation	-	37,500	(9,570)	27,930
Rothschild & Co.	-	40,000	(24,404)	15,596
Other	(1,702)	-	1,702	-
	<hr/> 213,509	<hr/> 288,618	<hr/> (237,490)	<hr/> 264,637
	<hr/>	<hr/>	<hr/>	<hr/>

Ashoka UK

Notes to the Financial Statements

Year Ended 31 August 2019

10 Fund reconciliation (continued)

	Balance at 1 Sept 2017 £	Income £	Expenditure £	Balance at 31 Aug 2018 £
UBS Switzerland	81,325	-	(51,412)	29,913
Lego Foundation	-	1,557	(7,831)	(6,274)
Boehringer Ingelheim	-	5,102	(5,102)	-
Fondation Primat	-	73,914	(45,659)	28,255
Big Lottery fund	90,663	-	(77,337)	13,326
Yidan Prize Foundation	25,307	14,996	(40,303)	-
Sodexo	52,047	-	(50,261)	1,786
University Hamburg	-	148,864	(660)	148,204
Other	-	1,500	(3,202)	(1,702)
	249,342	245,933	(281,766)	213,509

Fund descriptions

a) Unrestricted 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.

b) Restricted funds

The funds listed in the "Restricted Funds" table above are restricted to the following purposes & activities:

Big Lottery Fund – the search & selection and stipend costs for two Ashoka Fellows; the organization and hosting of a 4-day leadership retreats and joint knowledge exchange workshops; the creation of knowledge assets to strengthen the social entrepreneurship ecosystem.

Boehringer Ingelheim International, Lego Foundation, David Cock Foundation and Sodexo Foundation – the search & selection costs, plus stipend for several Ashoka Fellows. Boehringer Ingelheim International and Sodexo Foundation supported two Ashoka Fellows each, whereas Lego Foundation & David Cock Foundation supported one Ashoka Fellow each.

Fondation Primat – delivering a Learning Festival and a gathering of the Global Change Leaders in Lyon, and a 10-month Weavers Learning Journey (Accelerator Programme) that took place in Lyon, Maastricht and Bern.

HSBC Climate Change Globalizer - HSBC supports Ashoka to organize a GLOBALIZER program around climate change, where Ashoka works with 12 leading Ashoka Fellows on their scaling strategies and plans, to focus on the system changes they seek and to be supported in the development of robust and practical strategies that can generate both the direct and indirect impact needed to achieve significant scale of their work.

HSBC Birmingham SDGs – mapping the stakeholders and social innovations in Birmingham; hosting a workshop on the vision and action plan for Birmingham to reach the SDG (Sustainable Development Goals) targets by 2030; and a 1-day coaching clinic for the working groups that come out of the workshop.

Lucille Foundation – supporting the search & selection costs, plus stipend for Ashoka Fellows working using community empowerment approaches, primarily in East Africa and India.

Notes to the Financial Statements

Year Ended 31 August 2019

10 Fund reconciliation (continued)

Fund descriptions

Rothschild & Co – sponsorship towards the Cities of Learning & Change-making project, which is designed to test new models of civic leadership and new levels of collaboration to transform how young people grow up, increasing access to opportunity and learning for young people in a way that creates deep and lasting social change.

UBS Switzerland – the selection of some of the competition participants to participate in an accelerator program; and the support to individual social innovators.

University Hamburg – Participatory Memory Practices (POEM) – funding for a full-time 3-year PhD research involving European Ashoka Changemaker schools. Part of a broader EU research project which aims to develop a new framework for inclusive future-oriented memory practices to facilitate social cohesion in Europe. The project has received funding from European Union's Horizon 2020 Research and Innovation Programme under the Marie Skłodowska-Curie Grant Agreement No. 764859.

Yidan Foundation – leading of the screening process of the Yidan Prize for Education, including technical review on completeness and eligibility, identification of top 50 nominations, and broadcast of the Yidan Prize through Ashoka networks.

11 Analysis of net assets between funds (at 31 August 2019)

	Unrestricted funds £	Restricted funds £	Total £
Debtors	164,379	25,740	190,119
Cash at bank and in hand	186,213	518,836	705,049
Creditors in less than one year	(138,326)	(279,940)	(418,266)
Total at 31 August 2019	212,266	264,636	476,902

Analysis of net assets between funds (at 31 August 2018)

	Unrestricted funds £	Restricted funds £	Total £
Debtors	208,837	70,136	278,974
Cash at bank and in hand	159,832	175,079	334,911
Creditors in less than one year	(118,038)	(31,706)	(149,745)
Total at 31 August 2018	250,631	213,509	464,140

Ashoka UK

Notes to the Financial Statements

Year Ended 31 August 2019

12 Reconciliation of net income / (expenditure) to net cash flow from operating activities

	2019 £	2018 £
Net income / (expenditure) for year	12,763	22,544
Decrease / (Increase) in debtors	88,855	(27,669)
Increase in creditors	268,520	34,483
Net cash flow from operating activities	370,138	29,358

13 Related party transactions and ex gratia payments

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

The exemption from disclosure of transactions with other group entities has been taken under FRS 102 section 33.1A.

14 Ultimate parent undertaking

Ashoka UK is a subsidiary of Ashoka, a global organisation of leading social entrepreneurs with headquarters in the US organisation with 501 (c) status and registered address of 1700 North Moore Street, Suite 2000, Arlington, VA, 1939, USA.

15 Operating leases

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

	2019 £	2018 £
Not later than one year	27,900	42,756
Later than one year and not later than five years	-	7,126
Later than five years	-	-
	27,900	49,882









Ashoka UK Trustees Report and Accounts FY2019

Final Audit Report

2020-05-27

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