

**UNITY WORKS SOCIAL ENTERPRISES**

**Registered Company No: 11338498**

**Charity No: 1185113**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 March 2020**

**UNITY WORKS SOCIAL ENTERPRISES**  
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**INTRODUCTION**

**These papers tell readers what the charitable company has been doing  
between April 2019 and March 2020.**

**The trustees have written about what has gone well and  
what needs development.**

**You can see how the charitable company has managed its money.**

**The accounts have been checked by our Auditor – Sayer Vincent LLP**

**Some of these papers must be written in legal language. We have  
introduced each section with an Easy Read text box.**

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**REFERENCE AND ADMINISTRATION INFORMATION**

<b>TRUSTEES</b>	Jennifer Garrigan (Chair) Virginia Beardshaw Karen Boyce-Dawson Simon Conway Persis Maskey Heidi Stone Alexander Taylor
<b>COMPANY SECRETARY</b>	Simon Conway
<b>COMPANY NUMBER</b>	11338498
<b>COUNTRY OF INCORPORATION</b>	United Kingdom
<b>CHARITY NUMBER</b>	1185113
<b>COUNTRY OF REGISTRATION</b>	England and Wales
<b>REGISTERED OFFICE</b>	134 Edmund Street Birmingham B3 2ES

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**REFERENCE AND ADMINISTRATION INFORMATION**

**OPERATIONAL ADDRESS**

The West House  
Alpha Court  
Swingbridge Road  
Grantham  
NG31 7XT

**AUDITOR**

Sayer Vincent LLP  
Statutory Auditor  
Invicta House  
108-114 Golden Lane  
London  
EC1Y 0TL

**BANKERS**

Barclays Bank PLC  
43 High Street  
Sutton  
Surrey  
SM1 1DR

**SOLICITORS**

Anthony Collins Solicitors LLP  
134 Edmund Street  
Birmingham  
B3 2ES

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**TRUSTEES' REPORT**  
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**This section explains that directors are responsible for putting together accounts, which must show a true and fair view. This is the law.**

The trustees present their report and financial statements for the year 1 April 2019 to 31 March 2020.

## **RESPONSIBILITIES OF THE BOARD OF TRUSTEE DIRECTORS**

The directors (who are also the trustees of Unity Works Social Enterprises for the purposes of charity law) are responsible for preparing the Report of the Directors and Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Board of Directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the charitable company's incoming resources and application of resources, including the income and expenditure, for the financial year. In preparing these financial statements, the Board of Directors is required to:

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

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- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to assume that the charitable company will continue in operation.

The Board is responsible for keeping adequate accounting records, which disclose with reasonable accuracy, at any time, the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. The Board is also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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**AIMS AND OBJECTIVES**

The principal activity of the charitable company during the year was to provide employment, training and social enterprise services to people with a learning disability in the London area.

This is in line with company's charitable objects which are for the public benefit and are:

- the relief of persons with a learning disability, their families and carers, in particular, but not exclusively, by the provision of care, support and services, including, but not limited to, assistance to find employment and by the promotion of the awareness of the needs of such persons; and
- the promotion of the effective use of charitable resources by the provision of services to organisations involved in the relief of persons with a learning disability, their families and carers
- and the Company can do all other things that are incidental or conducive to its Objects or any of them.

In shaping our objectives and planning the organisation's activities, the Trustees have considered the Charity Commission guidance on public benefit, including the guidance 'Public Benefit: Running a Charity' (PB2). The main objectives and activities for the year continued to focus upon



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providing appropriate and responsive supported services that are user-led and are operated to a high standard.

**BOARD OF TRUSTEE DIRECTORS**

Members of the Board of Trustee Directors, who are Directors for the purpose of company law and Trustees for the purpose of charity law, who served during the year and up to the date of this report are set out below:

Virginia Beardshaw

Karen Boyce-Dawson (Appointed on 11 September, 2019)

Simon Conway

Jennifer Garrigan

Persis Maskey (Appointed on 23 April, 2019)

Kevin Price (Resigned on 9 June, 2020)

Heidi Stone (Appointed on 11 September, 2019)

Alexander Taylor (Appointed 23 April, 2019)

The trustees have no financial interest in the company, it being limited by guarantee.

**SENIOR MANAGEMENT**

Claire Hilton (Interim Lead Director)

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**Chair's Report**

Unity Works Social Enterprises ("Unity Works") has now had a full year's trading following its development out of The Camden Society in January 2019.

In being able to focus on employment and training services to people with a learning disability, the board has both nurtured the ongoing development of the company in its offer and been able to take some difficult but necessary decisions about two of our social enterprise cafés.

This report talks about the range of successes and challenges through 2019/2020, but I couldn't introduce this report without mentioning the major impact the Covid-19 pandemic outbreak has had on our employment and training programmes and on our social enterprises as the restrictions were put in place by the UK government in March. Our social enterprises had temporarily to close along with many businesses in the UK, some staff were furloughed and our training placements were paused.

In writing this report today, I must reflect on the remarkable resilience, creativity and drive of our staff teams to offer on-line support and training and in keeping in touch with those staff and trainees who have not been able to be physically present. Whether having been away from work or

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keeping things going, all have contributed to the ongoing work of the organisation. I am grateful to all involved.

**Jenny Garrigan**  
**Chair (Interim)**

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**What is Important for Unity Works Social Enterprises**

Unity Works Social Enterprises is part of the Thera Group of companies, a charitable organisation supporting people with a learning disability.

Thera's Vision clearly sets out Thera's philosophy of control and involvement by people with a learning disability:

- ✓ Thera will show that people with a learning disability can be leaders in society;
- ✓ Thera will be controlled by people with a learning disability;
- ✓ People supported by Thera can say how their Thera company is directed and managed;
- ✓ People with a learning disability will design the support they want from Thera;
- ✓ Thera will respect the rights and wishes of people at work, at home and in the community;
- ✓ People with a learning disability will check the quality of support from their Thera company;
- ✓ Thera Group will be led by a charity

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**Trustee's Report**

**Overview**

Unity Works has had an incredibly busy first year involving a lot of change both to our staff and our delivery. Throughout this, the charity has continued successfully to meet its primary objectives to support people with a learning disability to find employment, gain vocational qualifications and access apprenticeships.

After this first year of transition and re-invention, a comprehensive business plan has received Board approval that focuses on the progression both locally and across the UK.

Work has begun on the strategic positioning of Unity Works including visits to enterprises by the Department for Work and Pensions to discuss how to make apprenticeships more accessible, attendance and input at All Party Parliamentary Groups and feedback on relevant government green papers.

Unity Works has also benefited from a rigorous overhaul of cost saving and control measures, that have enabled performance at, or exceeding, budgeted levels.

CordisBright have been commissioned to support us to evaluate our delivery and to develop a social impact assessment framework that is fit for purpose and will allow us to demonstrate its best practice model.

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Despite an unprecedented end to the year with the arrival of the pandemic, the Unity Works team have applied their passion and innovative thinking into how to approach what is to come with the well-being of people we support and staff as a primary focus. The development of an online offer and support for digital inclusion has been expedited, liaison with commissioners has confirmed training and employment funding, close work with Thera's fund-raising team will hopefully result in some successful emergency funding bids and the creative pivoting of café enterprises has already provided opportunities for new commercial income.

The trustees would also like to reiterate their gratitude for the ongoing support from Thera Trust via its generous social investment grant.

Due to savvy financial planning and an agile approach to delivery, it is thought that Unity Works will be able to continue to support people with a learning disability during what may be one of the most difficult periods in modern history.

## **Activities**

**UNITY WORKS**

This section talks about the support Unity Works offers to people with a learning disability.

Unity Works provides skills, qualifications and job opportunities for people with a learning disability; alongside health and well-being programmes that enhance people's opportunities of finding work.

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**Achievement and Performance**

Employment

Our employment programmes provide specialist support for people with a disability, co-located within mainstream provision such as job centres, colleges and schools. We utilise a 'place and train model', which enables people to secure paid work, improve their skills and develop their careers. The employment team has had a very successful year supporting 325 people with employment support (up from 250 people in 2018/19). 72 people were successful in finding work and 200 attended job interviews; the employer engagement team worked with over 160 employers to raise disability awareness and increase opportunities for people with a learning disability. We are very keen to extend our offer to more people with a learning disability in different localities across London. To this end, we bid for and were awarded 4 new supported employment contracts.

We began working in Waltham Forest in May, 2019, offering an employment service to people with a learning disability and autism. As a brand new service in the borough, we had to develop a network of partners including Job Centre Plus, the Community Learning Disability Team and other providers as well as employer contacts. We are hoping to get this contract renewed, although Covid-19 has impacted this, with Department for Work and Pensions ceasing all funded contracts. We have successfully supported 18 people to enter employment and hope to build on this work in the next year.

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We were awarded a new local authority contract in Southwark in a partnership bid with Toucan Employment and Bede House Southwark. The Southwark Works programme has job outcome targets and has a specific focus on working with people eligible for social care support. We work within the wider Southwark employment network to co-ordinate services for the people we support to ensure a rounded approach to their employment needs and to maximise their opportunities.

Work Train Greenwich has been running for over 10 years and this year we were successful in being awarded another partnership contract for four years. The provision has built on the success of previous years and we have achieved all targets, exceeding those for people gaining employment. The programme is run in partnership with Advocacy in Greenwich, who employ people with a learning disability as employment ambassadors, training residential staff and reviewing company websites. We also work in partnership with Volunteer Centre Greenwich that runs a supported volunteer provision for people within day opportunities to secure and retain 6-month volunteering roles with a trained volunteer mentor.

Our partnerships with Westminster Kingsway and Lambeth College continue to flourish. The main objective is to manage and develop their supported internship programmes. We participated in the college Ofsted visits and both colleges received a 'Good' rating with Unity Works being noted for its person-centred approach.



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Lambeth Employment project finished after a very successful 5 years and we continue to work with Lambeth Council on the development of their employment and skills strategy that will be launched in Spring 2020 to ensure that people with a learning disability are a priority group.

When she joined Work Train Greenwich, TF had never had a paid job and wanted to find a meaningful work opportunity where she could earn money whilst doing work that she enjoys. TF secured a paid retail assistant position at Waitrose. We supported TF with improving her work-related anxiety issues by offering practical advice, guidance and coping strategies for managing her anxiety and handling stressful situations at work. Additional support has been provided to her employers to ensure she gets the support that she needs in order to maintain her job.

TF has also been attending Work Train Greenwich's group sessions where she enjoys meeting new people in a small and supportive environment. TF requested a workshop on "speaking to new people" which we covered in our group sessions and TF has benefitted from this by putting it into practice at work. TF was encouraged by Work Train Greenwich to apply for a Freedom Pass so that she can travel to work easily.

"Thank you for your help. It took a long time to build trust, but I trust my advisors and my job coach and I like attending the group sessions".

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Employer Engagement

We support employers with a range of services, including disability awareness training, accessible recruitment processes, matching candidates to job opportunities and ongoing support after recruitment.

We have increased the numbers of employers we worked with to 160 and continue to work with them to open vacancies and generate opportunities for people with a learning disability. We developed a clear employer offer and have continued to deliver quarterly training sessions on disability awareness; supporting employers to obtain Disability Confident accreditation, as well as advice and guidance to HR around accessible recruitment practices. Partnerships have been developed with several new employers including Accor, London Energy, and BBC Studios.

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We first met HM in 2019 after she attended an event with one of our other employers in her sector, who had employed one of our candidates and were celebrating his achievements. HM reached out to us, keen to see what she could do to help to open up similar opportunities to other candidates, and we arranged some informal meetings. HM met 6 candidates and offered them interview skills feedback and advice, mentoring and networking opportunities, including sharing online profiles, CVs and complimentary tickets to career events. HM has demonstrated amazing commitment to diverse talent, and during lockdown also attended our online disAbility Awareness Training. We are now looking at creating training that can be accessed by colleagues throughout HM's network.

*"The Unity Works disability sessions are an indispensable tool for employers and all those looking to support neuro-diverse talent."*

*Talent Executive Scripted, Drama and Comedy at BBC Studios*

### Social Enterprises

Our apprenticeship programmes and accredited industry training, carried out in our social enterprises, create additional opportunities for upskilling people to find work. Our cafés train people to become baristas, chefs and front of house staff whilst offering healthy, affordable food to local communities and workplaces.

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*Social Enterprise Cafes*

We successfully moved our Kentish Town based Flapjacks café to the newly opened Greenwood Centre in Spring 2019. The café is located within the council's Centre for Independent Living run by Camden Disability Action who worked with Camden to co-design the Centre. Camden Disability Action is a user-led organisation which aims to promote the equality of deaf and disabled people living in Camden. The Camden Society was part of the steering group that set up the centre for Independent Living, and Unity Works is now represented on the centre's steering group. Many other advocacy groups already provide activities from the centre; some of the people we support are members of these groups.

In February 2020, NHS Redbridge Foundation nominated Jacksons' Café as their charity of the year. They are generously going to be fund-raising to support and raise awareness of the wonderful training we offer. Jackson's café offers the majority of our training places, this year supporting 32 trainees. Jackson's is an integral part of the life of the local community.

We had to make the difficult decision to close our cafés on Tooley Street and Platform One at the end of 2019 as they were no longer financially sustainable. The two apprentices that were based at the Tooley Street café moved to other cafés to complete their qualifications.

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*Mill Lane Garden Centre*

Mill Lane, a garden centre in West Hampstead, offers flexible training for people who enjoy horticulture or want to develop their careers in this sector.

For the second year running, Mill Lane has seen positive community support including engagement, donations and lobbying the council to reject a direct competitor from selling Christmas trees in West Hampstead. We exceeded our sales target over this period and enhanced our community programme of activities. Over the year we have tried to build on this local support to increase our sales all year round, which has resulted in an increase of commercial income.

*Mail Out*

Mail Out supports a range of public, private and social enterprise organisations to handle large mailings in order to train people for a career in warehousing and customer service. Mail Out was successful in being selected to participate in the Unltd Thrive Programme which provided specialist social enterprise business advice through workshops and individual mentoring sessions. Through this programme we were able to get specialist legal advice to review our current customer contracts and ensure they were 'fit for purpose', as well as developing on business growth and new networks. Our customer base has grown, and we are now working with over 20 customers, the majority being ethical social enterprises that match and complement our commitment to offering social value.

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In January, Justin Tomlinson, Minister of State at the Department for Work and Pensions, visited Mail Out as part of a drive to promote accessible apprenticeships and to find out more about our apprentice and training programme. This visit received good coverage on social media and we are looking to further take part in round table discussions with central government on accessible apprenticeships.

Training and Awards Centre

Over the course of 2019, we expanded our training provision across our social enterprise cafés. Café Victoria in Westminster opened its doors to trainees in December and now has 4 trainees attending per week and 5 employees with a learning disability. This is our busiest site so will provide trainees with a fantastic opportunity to hone their culinary skills and work towards completing their qualifications.

Two members of staff are pursuing their AET qualifications (professional teaching qualification) to be able to facilitate learning opportunities for people across our programmes.

We had another successful recruitment drive for our apprentice programme. We received over 100 applications for a total of 7 places and have retained all apprentices through the 2019/20 academic year.

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This year we developed partnerships with our social enterprise café supply chain to provide training for our apprentices and trainees. We arranged site visits to suppliers such as our coffee roastery and local hotels.

TS was referred to the Forum Café, Greenwich in November 2019 after taking time out of formal education as he was struggling to get the right support to enable him to achieve. TS has always had a passion for cooking but wasn't sure what direction he wanted his career to go. After a taster day at the Forum, attending became the highlight of his week as he was able to develop his culinary and customer service skills. TS has created positive relationships with staff and trainees and has decided he wants to run his own café. TS is pursuing an NVQ Level 1 in hospitality services whilst at the Forum and is thinking about his next steps into employment. More recently, whilst in Covid-19 imposed lockdown, TS has continued to expand his cooking skills by participating in every cooking and baking class we have run, as well as experimenting with his own ideas at home.

*Health and Well-Being*

In addition, we offer a wide range of adult community learning and health and well-being programmes. These support people to develop skills, build confidence, enhance independence and take part in their local community. Current research and government policy is clearly demonstrating that health and well-being programmes are having a positive impact on people's ability to find and sustain jobs. We run a successful health and well-being

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programme that supports people to gain confidence to subsequently start looking for, and sustain, jobs.

Our Big Lottery Funded Community in Action initiative, which supports people to participate in health and well-being programmes, worked with 87 people over the year.

We received a new grant from Transport for London to develop our popular walking group project which supports people to gain confidence, make new friends and develop weekly routine and structure.

GT joined the PASS programme to find friends of her own age group and develop her confidence to enable her to participate in volunteering work as the first step to other things. GT took part in our walking group taster session and has since become a regular attendee on the weekly hiking session. Her confidence has grown immensely; she has swapped numbers with her peers, feels more confident to take part in group conversations and is now looking forward to applying for a volunteer placement at her local community centre.

*Impact of Covid-19 across Unity Works*

The impact of Covid-19 was felt far and wide across Unity Works services in early 2020. Following Government guidance, we stopped all face to face support sessions and closed our social enterprises to the public in March.

We offered immediate support via phone and video calls, engaging with people across all our services to ensure they understood the need to socially isolate



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and how to do this, check how they were, assess any vulnerabilities and address any risks with practical support. This became a regular programme of weekly check-ins to assist people to maintain their health and well-being.

We developed and implemented an online programme of training, health and well-being and employment support; broadly in line with the programmes we were running prior to lockdown. This includes, but is not limited to, dedicated sessions on CV and interview preparation, general employability, retaining culinary and warehousing skills, cooking and baking and mental health support. This programme has been well received with upwards of 190 people attending on a weekly basis.

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'We wanted to thank you and your colleagues for doing such an amazing job of keeping M and the other apprentices connected and engaged during the lockdown. Instead of sitting around at home, M is staying motivated and focused on her timetable and helping in the kitchen. We are so impressed with Unity Works and the difference you are making to M's life'. *M's mother*

'Z is very engaged during the "Dealing with Anxiety" sessions; it is great for him to join in discreetly meaning he is able to express his thoughts out loud without the fear of his voice being heard. If this was a face to face session Z wouldn't be able to voice his thoughts'. *Z's mother*

'I just want to say thank you to you and your team for the daily webinars. It makes such a difference; we really appreciate it. This has given J structure and purpose to her day. She really looks forward to them and has been revising hard for her mock interview and taking it really seriously.' *J's father*

Since the start of lockdown and the enforced closure of our social enterprise cafés, we have been working with partners such as Westminster City Council and Camden Council to produce meals for vulnerable people across London living in temporary accommodation. The project provided 68,686 meals over 12 weeks.

Looking forward to the 2020-21 year, we will be working towards re-opening our social enterprises, employment and training services in line with government guidance as well as continuing to provide an online service both

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for those unable, in the short term, to be able to access face to face support and, over the longer term, as part of a blended learning offer that will enable us to scale up our training activity.

## **FUTURE PLANS**



This section talks about what we will be working on over the next 3 years.

These are the main strategic objectives we will be focusing on over the next 3 years:

### **Employment and Career Development**

Increasing the number of people with a learning disability who can identify, secure and sustain jobs which they enjoy and enable them to become financially independent.

### **Training and Qualifications**

Developing a better and broader range of training opportunities and qualifications to enable people to pursue their career ambitions and succeed in a competitive job market.

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**Championing Social Enterprise**

Reviewing and updating our social enterprise model to provide increased opportunities for people with a learning disability to access industry standard training and work experience opportunities within sustainable enterprises.

**Employer Partnerships**

Increasing our employer partnerships across a broader range of sectors and developing a comprehensive package of accessible employment practices, emphasising the benefits of a diverse workforce. We aim to expand our employer engagement team to provide coverage across the geographical areas that Thera is based in.

**Health, Wellbeing and Independence**

Expanding our health and well-being programmes and developing models to implement these in other regions of the country.

**Scaling Up: Expanding Our Reach**

We aim to expand our programme of support across the Thera Group starting with pilots in four Thera companies. We're developing our online programmes and will be setting up a learner portal so that our students and job seekers can access information and materials at any time.

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**Developing Influence**

Raising awareness of the support needs of people with a learning disability and the challenges they face in the labour market and finding ways to remove these barriers and expand opportunities.

**Unity Works Social Enterprises Employs Good Staff**



At the end of the year Unity Works Social Enterprises employed 105 people, 22 of whom have a learning disability.

Through this year of organisational change our staff have shown passion and true commitment to delivering exceptional quality of support to people with a learning disability, employers and each other. Their enthusiasm and innovative spirit will continue to be the driving force in ensuring the progression and sustainability of Unity Works.

Our staff continue to be our most important asset and we take considerable pride in their achievements, their dedication and the level of commitment they make every day in delivering high quality support to people. We have continued to invest in staff by offering first class support, training and development throughout Thera, ensuring that staff are capable and motivated to meet the needs of the people we support.

As befits an organisation with Thera's Vision, we are committed to ensuring that all job applicants and employees are treated fairly and valued

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regardless of sex, disability, race, age, marital status, sexual orientation, religion, colour, ethnic or national origin. We value diversity and social inclusion across all our activities and our recruitment process ensures that all applicants have equal opportunity.



**Unity Works Social Enterprises' Money**

Unity Works Social Enterprises' accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with Unity Works Social Enterprises' Articles of Association applicable law and the requirements of the 'Accounting and Reporting by Charities, Statement of Recommended Practice' and FRS102

Total income from all activities in the year from 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2020 was £2,358k with a deficit of for the year of £342k. The deficit for the year reflected the start-up phase of the company in its first full year of operations.

**Fund-raising**

We were delighted that Unity Works was registered as a charity in August 2019, recognising the nature of the work that we undertake. During the year we were grateful to receive two specific charitable grants from Lottery Awards for All and from Transport for London. In addition, The Camden Society was awarded a grant from The Souter Trust in respect of Unity Works' activities.

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Unity Works' fund-raising activities are now undertaken directly by ourselves and with the support of Thera Trust's fund-raising team.

During the year, Unity Works received £88k in grants and donations, the details of which can be found in note 3 to the accounts. This represents a 2.4x return on costs of £36k. We expect that future investment in fund-raising, the support of Thera Trust's team and the establishment of Unity Works as a new charity will lead to an increase in such charitable income in future years.

Our own fund-raising activity was relatively limited activity, primarily directed at securing grants. We made use of our own staff resource to do so and also utilised a small amount of fund-raising consultancy support to increase our capacity. This consultancy reported directly to Unity Works' Lead Director and subsequently to the Head of Fund-Raising at Thera Trust, who oversaw the bids submitted and relationships held with funders to ensure standards were maintained. There was no use of any commercial participator.

Fund-raising consultancy support ceased in December, 2019. Fund-raising will continue now to be delivered in a co-ordinated manner by Thera Trust's fund-raisers on our behalf. These fund-raisers are focused on trust and grant income as well as laying the foundations for development of broader public fund-raising in the future.

**UNITY WORKS SOCIAL ENTERPRISES**  
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**TRUSTEES' REPORT**  
**For the year ended 31 March 2020**

All fund-raisers are expected to work in line with the Fund-raising Regulator's Code of Fund-raising Practice, which is used as a reference point by the fund-raisers when developing any new fund-raising activity or reviewing existing activity. We have no reported compliance issues and continue to review and update policies and procedures in line with the Code to ensure that compliance remains strong. Though Thera Trust was not registered with the Fundraising Regulator in the 2019-20 financial year, there is an intention to register in 2020-21.

We do not undertake door-to-door, face-to-face or direct mail fund-raising and public fund-raising in general is currently very limited. As a result, the risk of fund-raising in relation to vulnerable people is extremely limited. Fund-raisers work closely with the Thera Trust's Communications Team and our own staff to ensure that fund-raising communications are easy to understand, respectful of potential donors, provide clarity about the cause and do not mislead in any way. As public fund-raising activity increases in the future, the fund-raisers are planning to develop training for volunteers and other staff to ensure they understand the standards we aim to uphold and what to consider when it comes to vulnerable people and fundraising.

Trustees are not aware of any complaints in relation to fund-raising activities. We have clear processes in place as to how complaints will be handled should they arise.



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**TRUSTEES' REPORT**  
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**Reserves and Reserves Policy**

At 31 March, 2020, the charitable company had total net overdrawn reserves of £-537k. Restricted reserves were £+36k and overdrawn unrestricted reserves were £-573 k, which includes £-588k intra group funding from the Thera Group.

As explained in the parent charity and financial support accounting policy within the accounts, as part of the intra-group funding agreement, all other Thera group entities signed up to the agreement will provide support to any other entity as necessary, including not requiring the immediate repayment of intra-group debt. For this reason, the trustees have prepared the accounts on the basis that the company is a going concern.

The trustees intend to review progress with trading in the first full year of operation of the charity to establish a longer term reserves policy. At this point therefore, trustees intend generally to ensure over the medium term a positive balance sheet with sufficient working capital to continue provision of charitable activities and to respond to emergencies and events that cannot be planned for.

**Managing Unity Works Social Enterprises' Risk**



risk

Key risks which are inherent in the nature of our work include the abuse or neglect of vulnerable people, a failure to comply with a range of health and

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**TRUSTEES' REPORT**

**For the year ended 31 March 2020**

safety and related regulatory requirements in our establishments or a failure to realise Thera's Vision.

Both the employability and social care markets in which Unity Works Social Enterprises operates continue to experience significant funding challenges as commissioners attempt to reconcile increasing demand within a tighter funding environment. These limitations are expected to continue and we're mindful that as an entity, Unity Works itself has only one year's trading history. Unity Works Social Enterprises may also face risk from damage to key relationships with local authorities, the loss of key leadership and management or risk from litigation, financial or pension matters.

These risks are in part mitigated through demonstrable support from Thera Trust alongside robust business planning and fund-raising strategy.

The restrictions imposed as a result of the Covid-19 pandemic paused the trading of our social enterprises and resultant training and employment placements. Our employment support and a range of training courses have, in part, continued online. There has been central and local government financial support. As the restrictions slowly lift, we are assessing the ongoing impact of the pause and also considering what will happen should further, more restrictive interventions be imposed, such as "local lockdowns" again closing the hospitality industry and other non-essential shops.

Unity Works Social Enterprises' Health and Safety Committee provides the formal mechanism for Thera jointly with staff safety representatives to fulfil

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**For the year ended 31 March 2020**

their obligations under health and safety legislation and in line with the Group's Health and Safety Policy.

The trustees will assess and monitor the major risks to which Unity Works Social Enterprises may be exposed through a risk management strategy. The Board will continue to monitor the external regulatory, funding and employment law environment closely. Trustees are satisfied that systems are in place to minimise the incidence and impact of risks to the extent to which these are in the control of Unity Works Social Enterprises.

**Governing document**

Unity Works is a charitable company, incorporated on 1st May, 2018 and registered as a charity on 30<sup>th</sup> August, 2019. The company was established under a Memorandum of Association that established the objects and powers of the company and is governed by the Articles of Association.

In the event of the company being wound up members are required to contribute £1.

Unity Works Social Enterprises is a member of the Thera Group.

**Unity Works Social Enterprises' Trustees**

Members of the board of trustees, who are directors for the purpose of company law and trustees for the purpose of charity law, who served during

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**TRUSTEES' REPORT**

**For the year ended 31 March 2020**

the year and up to the date of this report, are shown in the company information at the start of this report and accounts.

**Management of Unity Works Social Enterprises' Activities**

Thera Trust is responsible for providing corporate services to Unity Works. Claire Hilton is managing the activities of Unity Works Social Enterprises, as delegated by the trustees, on an interim basis.

**Unity Works Social Enterprises Makes Sure that it has Good Trustees**  
*(Recruitment, Induction and Training of Trustees)*

As Unity Works Social Enterprises is part of the Thera Group and in accordance with its Articles, the majority of trustees are now appointed by Thera Trust.

All trustees in the Thera Group follow a formal induction process to ensure they know the organisation and its aims and are aware of their responsibilities. All trustees are subject to references and enhanced DBS checks.

**UNITY WORKS SOCIAL ENTERPRISES**  
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**TRUSTEES' REPORT**  
**For the year ended 31 March 2020**

**This section explains that the directors have told the Auditor everything they should and that they have worked within the law.**

**DISCLOSURE OF INFORMATION TO AUDITOR**

Each of the persons who are directors at the time when this Trustees' Report is approved under Section 418 of the Companies Act 2006 has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information.

**UNITY WORKS SOCIAL ENTERPRISES**  
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**TRUSTEES' REPORT**  
**For the year ended 31 March 2020**

**This section asks the Company Members to agree that the Auditor,  
Sayer Vincent LLP, be chosen again as the company's Auditor.**

**RE-APPOINTMENT OF AUDITOR**

In accordance with s.485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for the re-appointment of Sayer Vincent LLP as auditor of the Company.

The trustees' report has been prepared in accordance with the special provisions applicable to companies, subject to the small companies' regime.

Approved by the Board of Trustees on 15<sup>th</sup> December 2020 and signed on its behalf.

**Jennifer Garrigan**  
**Trustee**

**Simon Conway**  
**Trustee**

# UNITY WORKS SOCIAL ENTERPRISES

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNITY WORKS SOCIAL ENTERPRISES

**This page explains that the Auditor is reporting that the accounts give a true and fair view of the charitable company and that they are put together as the law says they should be put together.**

### OPINION

We have audited the financial statements of Unity Works Social Enterprises (the 'charitable company') for the year ended 31 March 2020 which comprise the statement of financial activities, balance sheet, statement of cash flows 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).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 March 2020 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
- Have been prepared in accordance with the requirements of the Companies Act 2006

# UNITY WORKS SOCIAL ENTERPRISES

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNITY WORKS SOCIAL ENTERPRISES

**This section explains that the Auditor has audited (checked) the accounts and that they are reporting to Company Members.**

### **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.

### **CONCLUSIONS RELATING TO GOING CONCERN**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The trustees' use of the going concern basis of accounting in the 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 charitable company'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.



## **UNITY WORKS SOCIAL ENTERPRISES**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNITY WORKS SOCIAL ENTERPRISES**

#### **OTHER INFORMATION**

The other information comprises the information included in the Trustees' 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.

## **UNITY WORKS SOCIAL ENTERPRISES**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNITY WORKS SOCIAL ENTERPRISES**

**This section explains that the Auditor must tell us if they are unhappy with how the directors managed the company.**

**The Audit report says that there is nothing bad the Auditor wishes to report to Company Members.**

#### **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 for the financial year for which the financial statements are prepared is consistent with the financial statements
- The Trustees' Report has 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 Trustees' 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

## **UNITY WORKS SOCIAL ENTERPRISES**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNITY WORKS SOCIAL ENTERPRISES**

- 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; or
- The trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' annual report and from the requirement to prepare a strategic report.

### **RESPONSIBILITIES OF TRUSTEES**

As explained more fully in the statement of trustees' responsibilities set out in the trustees' report, 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.

# **UNITY WORKS SOCIAL ENTERPRISES**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNITY WORKS SOCIAL ENTERPRISES**

**Trustees' responsibilities are explained on page 4.**  
**This page explains that it is the Auditors' responsibility to audit (check)**  
**the accounts as the law says they should.**

### **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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one

## **UNITY WORKS SOCIAL ENTERPRISES**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNITY WORKS SOCIAL ENTERPRISES**

resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings,

# **UNITY WORKS SOCIAL ENTERPRISES**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNITY WORKS SOCIAL ENTERPRISES**

including any significant deficiencies in internal control that we identify during our audit.

### **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.

**Jonathan Orchard (Senior statutory auditor)**

**16 December 2020**

**for and on behalf of Sayer Vincent LLP, Statutory Auditor**

**Invicta House, 108-114 Golden Lane, LONDON, EC1Y**

**You will see that this report and accounts also includes accessible information so that the trustees of Unity Works Social Enterprises are ensuring that all Company Members, including those with a learning disability, are able to fulfil their duties in law including to receive the accounts and to appoint the trustees and Auditor.**

**The law does not say we must provide this information, but Sayer Vincent LLP says it is in line with the statutory report and accounts.**

**UNITY WORKS SOCIAL ENTERPRISES**  
(A company limited by guarantee)

## SUMMARY OF MONEY

**For the year ended 31 March 2020**

**What we have earned and what we have spent:** £

Money we got in	2,358,315
What we spent on our staff	(1,667,655)
Other money we spent	<u>(1,032,602)</u>
Money we spent more than money we got in	<u><u>(341,942)</u></u>

**What Unity Works Social Enterprises had at 31 March 2020: £**

Stocks we own	5,515
How much cash we had in the bank	24,968
What we are owed by others	139,109
What we owe to other Thera companies	(588,258)
What we owe to others	<u>(118,291)</u>
Final amount the company had at 31 March 2020	<u>(536,957)</u>

# Unity Works Social Enterprises

(A company limited by guarantee)

## STATEMENT OF FINANCIAL ACTIVITIES

(incorporating an income and expenditure account)

for the year ended 31 March 2020

	Note	Unrestricted £	Restricted £	2020 Total £	Unrestricted £	Restricted £	2019 Total £
<b>Income from:</b>							
Grants and donations	3	226,378	36,509	<b>262,887</b>	-	-	-
Charitable activities	4	2,095,428	-	<b>2,095,428</b>	418,556	-	418,556
<b>Total income</b>		<b>2,321,806</b>	<b>36,509</b>	<b>2,358,315</b>	<b>418,556</b>	<b>-</b>	<b>418,556</b>
<b>Expenditure on:</b>							
Raising funds		35,956	-	<b>35,956</b>	-	-	-
Charitable activities		2,647,109	40	<b>2,647,149</b>	589,995	-	589,995
Exceptional Items		17,152	-	<b>17,152</b>	23,576	-	23,576
<b>Total expenditure</b>	5	<b>2,700,217</b>	<b>40</b>	<b>2,700,257</b>	<b>613,571</b>	<b>-</b>	<b>613,571</b>
<b>Net income / (expenditure) for the period being the net movement in funds</b>		<b>(378,411)</b>	<b>36,469</b>	<b>(341,942)</b>	<b>(195,015)</b>	<b>-</b>	<b>(195,015)</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward		(195,015)	-	<b>(195,015)</b>	-	-	-
<b>Total funds carried forward</b>		<b>(573,426)</b>	<b>36,469</b>	<b>(536,957)</b>	<b>(195,015)</b>	<b>-</b>	<b>(195,015)</b>

All of the above results are derived from continuing activities. There were no other recognised gains or losses beyond those stated above. Movements in funds are disclosed in Note 19 to the financial statements.



**Unity Works Social Enterprises**  
**(A company limited by guarantee)**

**BALANCE SHEET**  
**as at 31 March 2020**

COMPANY REGISTRATION NUMBER 11338498

	Note	£	2020 £	2019 £
<b>Current assets:</b>				-
Stocks	13	5,515	-	
Debtors	14	139,109	52,139	
Cash at bank and in hand		24,968	793	
		<u>169,592</u>	<u>52,932</u>	
<b>Current liabilities:</b>				
Creditors: amounts falling due within one year	15	(118,291)	(120,427)	
<b>Net current liabilities</b>			<u>51,301</u>	<u>(67,495)</u>
<b>Total assets less current liabilities</b>			<u>51,301</u>	<u>(67,495)</u>
<b>Long term liabilities:</b>				
Creditors: amounts falling due after one year	16	(588,258)	(127,520)	
<b>Total net assets</b>			<u>(536,957)</u>	<u>(195,015)</u>
<b>The funds of the charity:</b>	19			
Restricted income funds			36,469	-
Unrestricted income funds:				
General funds		(573,426)	(195,015)	
Total unrestricted funds			<u>(573,426)</u>	<u>(195,015)</u>
<b>Total charity funds</b>			<u>(536,957)</u>	<u>(195,015)</u>

Approved by the trustees on 15 December, 2020 and signed on their behalf by

Simon Conway  
Director

Jennifer Garrigan  
Director

**Unity Works Social Enterprises**  
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**STATEMENT OF CASH FLOWS**  
**for the year ended 31 March 2020**

	Note	2020 £	£	2019 £	£
<b>Net cash provided by operating activities</b>	20		<b>42,783</b>		<b>1,745</b>
<b>Cash flows from financing activities:</b>					
Interest paid		<b>(18,608)</b>		<b>(952)</b>	
<b>Net cash used in financing activities</b>			<b>(18,608)</b>		<b>(952)</b>
<b>Change in cash and cash equivalents in the year</b>			<b>24,175</b>		<b>793</b>
Cash and cash equivalents at the beginning of the year			<b>793</b>		<b>-</b>
<b>Cash and cash equivalents at the end of the year</b>			<b>24,968</b>		<b>793</b>

**Unity Works Social Enterprises**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2020**

**1 Accounting policies**

**a) Statutory information**

Unity Works Social Enterprises is a charitable company limited by guarantee and is incorporated in the United Kingdom. The registered office address is Anthony Collins Solicitors LLP, 134 Edmund Street, Birmingham, West Midlands, B3 2ES. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

**b) Basis of preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (March 2018) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

**c) Going concern**

The directors have received assurances from the trustees of Thera Trust that they continue to support Unity Works Social Enterprise's work and will continue to support the operations of the company. On this basis the directors consider that there are no material uncertainties about the company's ability to continue as a going concern. Further information is given in the directors' annual report and below in Note 2 in the section on Group Financial Support.

The directors do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

**d) Funds**

Unrestricted funds are available for use at the discretion of the directors in the furtherance of the general objectives of the company. Such funds may be held in order to finance both working capital and capital investment.

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.

**e) Income**

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

**Unity Works Social Enterprises**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2020**

**1 Accounting policies (continued)**

**e) Income (continued)**

The company receives income from contracts and revenue grants. Income contracts and revenue grants are recognised at fair value when the company 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.

The company receives income from the sale of products in social enterprise cafes and it is recognised at the cash value of those sales.

**f) Expenditure and irrecoverable VAT**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. 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. It is categorised under the following headings:

- Expenditure on charitable activities; split between 'employment', social enterprise cafes' and 'other activities'.

Irrecoverable VAT is not separately analysed and is charged to the statement of financial activities when the expenditure to which it relates is incurred and is allocated as part of the expenditure to which it relates.

Support costs are central administration costs which have been recharged to the various activities using a fair allocation based on each activity's expenditure as a proportion of the total expenditure by type of cost.

Governance costs include those incurred in the governance of the company's assets and are primarily associated with constitutional and statutory requirements. The costs are recharged to the various activities based on the activities expenditure as a proportion of the total expenditure by type of cost.

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

The charity is exempt from income tax and capital gains tax under Section 505 ICTA 1988.

**g) Operating leases**

Rentals payable under operating leases are charged to the statement of financial activities on a straight line basis over the period of the lease.

**Unity Works Social Enterprises**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2020**

**1 Accounting policies (continued)**

**h) Stocks**

Stocks are stated at the lower of cost and net realisable value. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks.

**i) Debtors**

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

**j) Cash at bank and in hand**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible into known amounts of cash with insignificant risk of change in value.

**k) Creditors and provisions**

Creditors and provisions are recognised where the company has a present obligation resulting from a past event that will probably 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.

**l) Financial instruments**

The company enters into only basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans from related parties. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

**m) Pensions**

The pension cost charged to the statement of financial activities represents amounts payable by the company in the accounting period. The company makes payments to The People's Pension Fund. The scheme is a defined contribution scheme and the pension charge represents the amounts payable to the fund in respect of the period.

**n) Parent charity and financial support**

An Intra-Group Agreement exists between Thera Trust and twenty seven of its subsidiaries. This Intra-Group Agreement incorporates a Funding Agreement which allows Thera Group companies to benefit from the movement of funds around the Group. Each subsidiary, other than The Camden Society, Equal Futures and Thera Limited, has acceded to this Intra-Group Agreement with Board approval. In addition to this, Thera Trust and its subsidiaries have all individually agreed not to demand the repayment of any inter-company borrowings within twelve months of the date on which the balance sheet is signed. Any amounts due to or from Group companies that have been shown as due within one year relate to balances arising from operational activities and gift aid. A market rate of interest has been charged on balances between group companies.

**2 Judgments in applying accounting policies and key sources of estimation uncertainty**

The directors of the company make estimates and assumptions concerning the future. Management are also required to exercise judgement in the process of applying the charitable company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed in note 2 overleaf.

In preparing these financial statements, the directors have delegated authority to management to make the following judgements:

**Unity Works Social Enterprises**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2020**

**2 Judgments in applying accounting policies and key sources of estimation uncertainty (continued)**

**Group financial support**

The directors of all of the subsidiaries within the Thera Group that have acceded to the Intra-Group Agreement as referred to above, have received assurance from the board of Thera Trust that adequate financing is in place to meet the group's financing needs and this has enabled the directors to confirm that management can prepare the accounts on a going concern basis.

**Leases**

The charitable company determines whether leases entered into by the charitable company either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis based on an evaluation of the terms and conditions of the arrangements, and accordingly whether the lease requires an asset and liability to be recognised in the statement of financial position.

**Recoverability of trade debtors**

Trade and other receivables are recognised to the extent that they are judged recoverable. Management reviews are performed to estimate the level of reserves required for irrecoverable debt. Provisions are made specifically against invoices where recoverability is uncertain.

Management makes allowance for doubtful debts based on an assessment of the recoverability of debtors. Allowances are applied to debtors where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management specifically analyse historical bad debts, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of the provision for doubtful debts. Where the expectation is different from the original estimate, such difference will impact the carrying value of debtors and the charge in the statement of financial activities.

**Provisions**

A provision is recognised when the charitable company has a present legal or constructive obligation as a result of a past event for which it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flow at a rate that reflects the time value of money and the risks specific to the liability.

Whether a present obligation is probable or not requires judgment. The nature and type of risks for these provisions differ and management's judgement is applied regarding the nature and extent of obligations in deciding if an outflow of resources is probable or not.

**Depreciation and residual values**

The Trustees have reviewed the asset lives and associated residual values of all fixed asset classes, and in particular, the useful economic life and residual values of fixtures and fittings, and have concluded that asset lives and residual values are appropriate.

The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projects disposal values.

**3 Income from grants and donations**

	Unrestricted £	Restricted £	2020 Total £	2019 Total £
Donations	2,821	10,509	13,330	-
Grants	48,557	26,000	74,557	-
Social Investment Grant	175,000	-	175,000	-
	<u>226,378</u>	<u>36,509</u>	<u>262,887</u>	<u>-</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**4 Income from charitable activities**

	Unrestricted £	Restricted £	2020 Total £	2019 Total £
Employment income	533,618	-	<b>533,618</b>	75,990
Social enterprise cafes income	1,104,146	-	<b>1,104,146</b>	258,385
Other charitable activities income	457,664	-	<b>457,664</b>	84,181
Total income from charitable activities	<u>2,095,428</u>	<u>-</u>	<u><b>2,095,428</b></u>	<u>418,556</u>

**5 Analysis of expenditure**

	Employment £	Social Enterprise cafes £	Other activities £	2020 £	2019 £
Staff and agency costs	257,922	1,305,536	104,197	<b>1,667,655</b>	364,652
Property costs	-	125,511	-	<b>125,511</b>	39,467
Other support costs	98,752	747,746	60,593	<b>907,091</b>	209,452
	<u>356,674</u>	<u>2,178,793</u>	<u>164,790</u>	<u><b>2,700,257</b></u>	<u>613,571</u>

Other support costs includes overhead and governance costs.

Exceptional costs of £17,152 (2019: £nil). £20,883 (2019: £nil) have been incurred for employment and other costs in relation to restructuring and offset against this is £3,731 for net income incurred in relation to Covid-19 (2019: £nil).

**6 Governance costs (included within other support costs) comprise:**

	2020 £	2019 £
External auditor's remuneration	<u><b>9,744</b></u>	<u>6,024</u>
	<u><b>9,744</b></u>	<u>6,024</u>

**7 Interest payable and similar charges**

	2020 £	2019 £
Interest payable on intra-group borrowings	<u><b>18,608</b></u>	<u>952</u>
	<u><b>18,608</b></u>	<u>952</u>

**Unity Works Social Enterprises**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2020**

**8 Net expenditure for the year**

This is stated after charging:

	2020 £	2019 £
Operating lease rentals:		
Property	55,514	13,025
Other	2,768	-
Auditors' remuneration (excluding VAT):		
Audit	6,140	3,080
Other services	1,980	1,940
	<hr/> <hr/>	<hr/> <hr/>

Auditors' remuneration for the group is disclosed in full in the parent charitable company and is recharged to the subsidiary as part of the overall recharge of the group's management and administration costs.

**9 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel**

Staff costs were as follows:

	2020 £	2019 £
Salaries and wages	1,373,518	316,233
Social security costs	105,260	23,584
Pension costs		
Defined contribution	44,602	8,561
	<hr/> <hr/>	<hr/> <hr/>
	1,523,380	348,378
Agency staff	144,275	16,274
	<hr/> <hr/>	<hr/> <hr/>
	1,667,655	364,652

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2020 No.	2019 No.
£70,000 - £79,999	1	-
	<hr/> <hr/>	<hr/> <hr/>

These employees participated in the pension scheme during the year:

	2020 No.	2019 No.
Employer pension contributions	6,593	-
	<hr/> <hr/>	<hr/> <hr/>

In 2019 there were no employees that earned more than £60,000 in the period. The charity was only operational for a period of 3 months.

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £91,146 (2019: £22,793). The charitable company considers its key management personnel to comprise of the Service Director.

The charity trustees were neither paid nor received any other benefits from employment with the charity in the period. No charity trustee received payment for professional or other services supplied to the charity.

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £131 (2019:£nil).



**Unity Works Social Enterprises**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2020**

**10 Staff numbers**

The average number of employees (head count based on number of staff employed) during the year was 83 (2019: 73).

Staff are split across the activities of the charitable company as follows:

	<b>2020 No.</b>	2019 No.
Employment	<b>18</b>	13
Social enterprise cafes	<b>42</b>	37
Other charitable activities	<b>23</b>	23
	<b>83</b>	73

**11 Related party transactions**

There are no related party transactions to disclose for 2019 other than intra-group transactions as disclosed below.

Thera Trust is the parent charitable company of Unity Works Social Enterprises. Any balances due to or from entities within the Thera group are disclosed within the relevant debtors and creditors notes.

Thera Trust makes a recharge of management and administration costs incurred on behalf of the group to all of its subsidiaries. The specific amounts recharged to each entity are not being disclosed on the grounds that the Thera Group operates in a competitive commissioning environment and this information is commercially sensitive.

As in the Accounting policies note for Parent charity and financial support, a market rate of interest has been charged on balances between Thera Trust and Unity Works Social Enterprises, in 2020 £18,608 (2019 £952).

**12 Taxation**

	<b>2020 £</b>	2019 £
UK corporation tax at 19% (2019: 19%)	-	-

**Factors affecting the tax charge for the year**

The tax assessed for the year is lower than (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

Result from ordinary activities before tax	<b>(536,957)</b>	(195,015)
Result from ordinary activities before tax multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	-	-
Effects of:		
Tax losses utilised	-	-
<b>Total tax charge for the year</b>	<b>-</b>	-

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2020**

**13 Stock**

	2020 £	2019 £
Raw materials	5,515	-
	<u>5,515</u>	<u>-</u>

**14 Debtors**

	2020 £	2019 £
Trade debtors	67,360	14,012
Other debtors	15,965	-
Prepayments and accrued income	55,784	38,127
	<u>139,109</u>	<u>52,139</u>

**15 Creditors: amounts falling due within one year**

	2020 £	2019 £
Trade creditors	34,409	29,123
Taxation and social security	28,407	32,406
Other creditors	4,917	55
Accruals	50,558	58,843
	<u>118,291</u>	<u>120,427</u>

**16 Creditors: amounts falling due after one year**

	2020 £	2019 £
Amounts due to group undertakings	588,258	127,520
	<u>588,258</u>	<u>127,520</u>

The repayment period for the amounts owed to group undertakings is disclosed in the accounting policy called Parent charity and financial support.

**Unity Works Social Enterprises**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2020**

**17 Pension schemes**

**The People's Pension Fund**

The company participates in The People's Pension Fund, which is a defined contribution scheme for the benefit of its employees. Contributions to the scheme during the year amounted to £44,602 (2019: £8,561). As at the balance sheet date there were 65 (2019: 80) of the Scheme employed by the company. The amount outstanding in respect of this Scheme at the year-end was £Nil (2019: £nil).

**18a Analysis of net assets between funds (current year)**

	Restricted reserve £	General unrestricted £	Total funds £
Net current assets	36,469	133,123	<b>169,592</b>
Creditors: amounts falling due within one year	-	(118,291)	<b>(118,291)</b>
Creditors: amounts falling due after one year	-	(588,258)	<b>(588,258)</b>
<b>Net assets at 31 March 2020</b>	<b>36,469</b>	<b>(573,426)</b>	<b>(536,957)</b>

**18b Analysis of net assets between funds (prior period)**

	Restricted reserve £	General unrestricted £	Total funds £
Current assets	-	52,932	<b>52,932</b>
Creditors: amounts falling due within one year	-	(120,427)	<b>(120,427)</b>
Creditors: amounts falling due after one year	-	(127,520)	<b>(127,520)</b>
<b>Net assets at 1 April 2019</b>	<b>-</b>	<b>(195,015)</b>	<b>(195,015)</b>

**19a Movements in funds (current year)**

	At 1 April 2019 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2020 £
<b>Restricted funds:</b>					
Deloitte	-	26,000	(40)	-	<b>25,960</b>
BGC JobsOhio	-	7,476	-	-	<b>7,476</b>
Great Escape	-	3,033	-	-	<b>3,033</b>
<b>Total restricted funds</b>	<b>-</b>	<b>36,509</b>	<b>(40)</b>	<b>-</b>	<b>36,469</b>
<b>General funds</b>	<b>(195,015)</b>	<b>2,321,806</b>	<b>(2,700,217)</b>	<b>-</b>	<b>(573,426)</b>
<b>Total unrestricted funds</b>	<b>(195,015)</b>	<b>2,321,806</b>	<b>(2,700,217)</b>	<b>-</b>	<b>(573,426)</b>
<b>Total funds</b>	<b>(195,015)</b>	<b>2,358,315</b>	<b>(2,700,257)</b>	<b>-</b>	<b>(536,957)</b>

The narrative to explain the purpose of each fund is given below.

**Unity Works Social Enterprises**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2020**

**19 Movements in funds (continued)**

**19b Movements in funds (prior period)**

	At incorporation £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2019 £
<b>General funds</b>	-	418,556	(613,571)	-	<b>(195,015)</b>
<b>Total unrestricted funds</b>	-	418,556	(613,571)	-	<b>(195,015)</b>
<b>Total funds</b>	-	418,556	(613,571)	-	<b>(195,015)</b>

**Purposes of restricted funds**

**Deloitte**

Create an online portal giving students and job seekers access to a Virtual Learning Environment and Case Management System enabling people to independently access their details, CV, job search.

**BGC JobsOhio**

To purchase a coffee cart and sell coffee, thereby creating further employment of people with a learning disability.

**Great Escape**

Annual break for a week of activities designed to build skills and confidence for the people we support.

**20 Reconciliation of net expenditure to net cash flow from operating activities**

	2020 £	2019 £
<b>Net expenditure for the reporting period (as per the statement of financial activities)</b>	<b>(341,942)</b>	(195,015)
Interest payable	18,608	952
Increase in stocks	(5,515)	-
Increase in debtors	(86,970)	(52,139)
Increase in creditors	458,602	247,947
<b>Net cash provided by operating activities</b>	<b>42,783</b>	1,745

**20 Ultimate holding company**

Unity Works Social Enterprises's ultimate parent company is Thera Trust, a charitable company limited by guarantee (company number 3593418) and registered in England and Wales (charity number 1090163). Thera Trust is ultimately controlled by the board of trustees.

Copies of the consolidated Thera Trust financial statements are available from the Charity Commission.

**Unity Works Social Enterprises**  
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**DETAILED INCOME AND EXPENDITURE ACCOUNT**  
**for the year ended 31 March 2020**  
**(does not form part of the financial statements)**

	<b>2020 Total £</b>	<b>2019 Total £</b>
Turnover	2,358,315	418,556
Direct costs	(2,367,406)	(524,925)
	<hr/>	<hr/>
<b>Gross surplus</b>	<b>(9,091)</b>	(106,369)
<b>Less: overheads</b>		
Administrative expenses	(315,699)	(65,070)
	<hr/>	<hr/>
	<b>(324,790)</b>	(171,439)
Exceptional item	(17,152)	(23,576)
	<hr/>	<hr/>
<b>Result for the financial year</b>	<b><u>(341,942)</u></b>	<b><u>(195,015)</u></b>