

UNITAS
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

UNITAS
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the company, its Trustees and advisers	1
Trustees' report	2 - 7
Independent auditors' report on the financial statements	8 - 10
Consolidated statement of financial activities	11
Consolidated balance sheet	12
Company balance sheet	13
Consolidated statement of cash flows	14
Notes to the financial statements	15 - 33

UNITAS
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2020**

Trustees	Philip Clapp, Joint Chair Nicola Lowit, Joint Chair Erica Crump
Company registered number	06739988
Charity registered number	1133286
Registered office	King Street House 15 Upper King Street Norwich NR3 1RB
Chief executive officer	Martin Stephenson
Independent auditors	Larking Gowen LLP Chartered Accountants Statutory Auditors King Street House 15 Upper King Street Norwich NR3 1RB
Bankers	The Co-Operative Bank PLC PO Box 250 Skelmersdale
Solicitors	Bates Wells & Braithwaite LLP 10 Queen Street Place London EC4R 1BE

UNITAS
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2020

The Trustees present their annual report together with the audited financial statements of the group and the company for the year 1 April 2019 to 31 March 2020. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), 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)..

Since the company and the group qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required

At the date of this report, the Trustees are encouraged by the charity's resilience to date in light of the Covid-19 crisis, and its ability to continue to provide a range of charitable activity to its beneficiaries throughout the crisis.

Objectives and activities

a. Policies and objectives

Unitas is a company limited by guarantee and a registered charity.

Its purpose is set out in the Memorandum of Association, as amended in 2017:

To act as a resource for people, in particular but not limited to young people, in the UK and worldwide by providing advice and assistance and organising programmes of physical, educational and other activities as a means of:

- advancing in life and helping young people by developing their skills, capacities and capabilities to enable them to participate in society as independent, mature and responsible individuals;
- advancing education;
- relieving unemployment;
- providing recreational and leisure time activity in the interests of social welfare for people living in the area of benefit who have need by reason of their youth, age, infirmity or disability, poverty or social and economic circumstances with a view to improving the conditions of life of such persons.

Unitas intends to achieve its objects by working in collaboration with other organisations to deliver products and services. Unitas will maintain quality of delivery through products and services being devised and refined according to the best available evidence, and with constant improvement and innovation being a priority for the organisation.

b. Strategies for achieving objectives

The 5-year strategic plan sets out the priorities until 2023 to ensure Unitas achieves its objectives. Further development of the Academy, including development of BA courses both to sell on the open market and for existing students to top up prior learning to a full BA or BA Hons.

Unitas is working in conjunction with other industry bodies to create an institute which will focus on the professional learning and development of those in the youth justice system in line with the Youth Justice Framework.

UNITAS
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

Objectives and activities (continued)

c. Activities undertaken to achieve objectives

All activities undertaken by Unitas during the year 2019-2020 have sought to further its charitable purposes for the public benefit. We adopt varied approaches to engaging young people, and seek to support those staff who work to engage young people.

Principal charitable activities during this period (conducted by Unitas and Unitas Academy) have included:

- Summer Arts Colleges for young people
- TextNow, a reading motivation programme for young people who are struggling and/or reluctant readers
- Delivery of the Youth Justice Effective Practice Certificate (YJEPC)
- Delivery of the Foundation Degree in Youth Justice (FDYJ)
- Delivery to BA Hons level in Social Policy, Management & Coaching and Youth Justice
- Research and evaluation which informs our continuing activities.

The Trustees have complied with the duty in the Charities Act 2006 to have due regard to the public benefit guidance published by the Commission. Unitas works with young people from all backgrounds - economic status, gender, ethnicity, race, religion or disability do not form part of any assessment processes. Our activities listed below illustrate how the charity provides public benefit.

Unitas is an equal opportunity organisation which is committed to working in a manner that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, sex, sexual orientation or disability.

Achievements and performance

a. Review of activities

Our objects were principally achieved through the programmes and services listed below. The main achievements and performance of Unitas during the year have included management of:

19 Summer Arts Colleges - working in partnership with Youth Offending Teams and arts organisations to deliver education projects for young people at risk of offending. Outcomes for young people were improved as a result of more intensive training provision for youth justice staff supported by more efficient data gathering and programme management processes from Unitas.

TextNow - continues to operate successfully in a number of local authorities.

Unitas Academy - the Foundation Degree in Youth Justice (FDYJ), validated by the University of Suffolk continued into its third year with two new cohorts commencing, with students from Cohort 1 and Cohort 2 completing their qualification this year.

In addition, Cohort 1 of the BA in Social Policy completed with a second cohort now underway.

The first cohort of Managing & Coaching in Youth Justice (MCYJ) commenced in September 2019.

The Youth Justice Effective Practice Certificate (YJEPC) has over 2,000 students who have successfully completed the YJEPC since its launch in 2012.

Research and evaluation activities continue through rigorous evaluation of our programmes and development of additional research projects.

UNITAS
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

Achievements and performance (continued)

b. Factors relevant to achieve objectives

The current environmental factors of Covid-19 towards the end of the financial year tested our systems and the organisation has generally proven to be very resilient, with home working beginning at the beginning of March in accordance with government guidelines. All Unitas scheduled courses continue without interruption, with adaptations being made to continue unbroken delivery. The financial context is particularly challenging for charities such as Unitas as charitable trusts are seeing unprecedented demands on their funds, making it all the more difficult for fundraising. Our medium term future will rely on a continuing substantial shift towards income derived from sales augmented by investment funding from charitable trusts and arts agencies.

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

b. Review

The year saw a surplus of £15,191 (2019: Deficit of £32,113). After a successful pilot in 2017, we contracted with HMPPS to deliver 1250 places on the Foundation Degree in Youth Justice (FDYJ) over the next 5 years, which started from April 2018. In addition to the FDYJ we are contracted until 2021 to deliver 100 places on the Managing & Coaching in Youth Justice (MCYJ) BA. This meant a significant increase in sales to reduce the reliance on grant funding.

c. Reserves policy

Our current level of unrestricted funds is £275,026 (2019: £259,835). We have a target of £450,000, equating to 6 months' worth of costs and investment funds of £100,000. However, whilst we continue to undergo a period of growth and high investment in new courses it has been appropriate to go below this target. As we earn income from the new courses, we expect to return to our target reserves in 2021.

d. Principal funding

Income is largely derived from sales of courses with less dependency on grant funding consistent with our strategic plan.

e. Material investments policy

Unitas does not hold any investments, cash is held in UK bank accounts.

UNITAS
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

Structure, governance and management

a. Constitution

Unitas is a charitable company limited by guarantee, incorporated as a company in England and Wales in November 2008 and registered as a charity in December 2009. The company was established under a Memorandum of Association which established its objects and its powers as a charitable company, and it is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

b. Methods of appointment or election of Trustees

The Trustees are the members of the company. According to the Articles of Association Trustees are appointed by a resolution of Trustees. When seeking candidates for appointment, the Trustees will take into account any gaps in relevant skills and knowledge required in the governance of the charity.

c. Policies adopted for the induction and training of Trustees

Reviewed annually in the following circumstances, new Trustees, significant external policy developments, Charity Commission requirements and other priorities highlighted by the Trustees.

d. Pay policy for senior staff

The CEO is subject to an annual pay review carried out by the Trustees.

e. Organisational structure and decision making

The Trustees bring to the board of Unitas their belief in the importance of all people being able to develop their skills and access education. They collectively bring knowledge and experience gained from working across a range of professional environments. Each Trustee also brings business skills and experience of working in the public sector, the arts and with young people, which support the work of Unitas. Trustees have been provided with induction and training as to their role and responsibilities and have continuing access to information and advice services provided by the organisation's auditors and legal advisers.

Full meetings of Trustees are held quarterly. At each meeting Trustees consider written and verbal reports on current and planned activities, finance, fundraising and risks. The Trustees consider the major risks to which the organisation is exposed at each quarterly meeting, and strategies are adopted to mitigate these risks as far as possible. Staff from Unitas attend these meetings to ensure Trustees are fully briefed and can be provided with additional information as required by the Trustees.

Day-to-day responsibility for operations and the successful functioning of the organisation is delegated to the Chief Executive, who is responsible for ensuring that the charity delivers the objects specified and meets targets set by the Strategic Plan and annual Business Plan as approved by the Trustees.

Expenditure on a single item in excess of £20,000 must be referred to the Trustees for authorisation. The Trustees are responsible for setting the pay and remuneration of the charity's key management personnel. This is reviewed on an annual basis.

UNITAS
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

Structure, governance and management (continued)

f. Risk management

The Trustees have assessed the major risks to which the company and the group is exposed, in particular those related to the operations and finances of the company and the group and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

Plans for future periods

The main focus will be on further developing the Unitas Academy. This will be achieved by marketing the new and existing products to increase sales and by developing our digital resources still further so that there is a wide range of training programmes available up to BA Hons level.

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the company for the purposes of company law) 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).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the company and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102)
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

UNITAS
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

Statement of Trustees' responsibilities (CONTINUED)

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

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

Approved by order of the members of the board of Trustees on
15 March 2021 and signed on their behalf by:


Philip Clapp 15 March 2021

UNITAS
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UNITAS

Opinion

We have audited the financial statements of UNITAS (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2020 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Company balance sheet, the Consolidated statement of cash flows and the related notes, 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 Group's and of the parent charitable company's affairs as at 31 March 2020 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Group's or the parent 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.

UNITAS
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UNITAS (CONTINUED)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. 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.

Opinion 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 our 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 Companies Act 2006 requires us to report to you if, in our opinion:

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

UNITAS
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UNITAS (CONTINUED)

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 Group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

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

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 Auditors' 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Giles Kerkham FCA DChA (Senior statutory auditor)

for and on behalf of
Larking Gowen LLP
Chartered Accountants
Statutory Auditors
King Street House
15 Upper King Street
Norwich
NR3 1RB

Date: 17 March 2021

UNITAS
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:					
Charitable activities	4	1,242,139	320,000	1,562,139	1,276,719
Investments	5	1,075	-	1,075	1,254
Total income		1,243,214	320,000	1,563,214	1,277,973
Expenditure on:					
Charitable activities		1,211,566	336,457	1,548,023	1,430,017
Total expenditure		1,211,566	336,457	1,548,023	1,430,017
Net income/(expenditure)		31,648	(16,457)	15,191	(152,044)
Transfers between funds	16	(16,457)	16,457	-	-
Net movement in funds		15,191	-	15,191	(152,044)
Reconciliation of funds:					
Total funds brought forward		259,835	-	259,835	411,879
Net movement in funds		15,191	-	15,191	(152,044)
Total funds carried forward		275,026	-	275,026	259,835

The Consolidated statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 15 to 33 form part of these financial statements.

UNITAS
(A company limited by guarantee)
REGISTERED NUMBER: 06739988

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	10	496,907	416,242
Tangible assets	11	7,202	3,678
		<u>504,109</u>	<u>419,920</u>
Current assets			
Stocks	13	24,332	43,263
Debtors	14	367,814	328,168
Cash at bank and in hand		591,916	533,507
		<u>984,062</u>	<u>904,938</u>
Creditors: amounts falling due within one year	15	(1,213,145)	(1,065,023)
Net current liabilities		<u>(229,083)</u>	<u>(160,085)</u>
Total net assets		<u><u>275,026</u></u>	<u><u>259,835</u></u>
Charity funds			
Unrestricted funds	16	275,026	259,835
Total funds		<u><u>275,026</u></u>	<u><u>259,835</u></u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 15 March 2021 and signed on their behalf by:


Philip Clapp

The notes on pages 15 to 33 form part of these financial statements.

UNITAS
(A company limited by guarantee)
REGISTERED NUMBER: 06739988

COMPANY BALANCE SHEET
AS AT 31 MARCH 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	10	496,907	416,242
Tangible assets	11	7,202	3,678
Investments	12	100	100
		<u>504,209</u>	<u>420,020</u>
Current assets			
Stocks	13	482	66
Debtors	14	47,800	65,859
Cash at bank and in hand		252,519	290,075
		<u>300,801</u>	<u>356,000</u>
Creditors: amounts falling due within one year	15	(451,945)	(403,098)
Net current liabilities		<u>(151,144)</u>	<u>(47,098)</u>
Total net assets		<u><u>353,065</u></u>	<u><u>372,922</u></u>
Charity funds			
Unrestricted funds	16	353,065	372,922
Total funds		<u><u>353,065</u></u>	<u><u>372,922</u></u>

The income and expenditure account for the year dealt with in the accounts of the company was £19,857 deficit (2019: £38,957 deficit).

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 15 March 2021 and signed on their behalf by:


Philip Clapp

The notes on pages 15 to 33 form part of these financial statements.

UNITAS
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020**

	2020 £	2019 £
Cash flows from operating activities		
Net cash used in operating activities	286,930	405,894
Cash flows from investing activities		
Purchase of intangible assets	(221,169)	(159,375)
Purchase of tangible fixed assets	(7,352)	(3,455)
Net cash used in investing activities	(228,521)	(162,830)
Cash flows from financing activities		
Net cash provided by financing activities	-	-
Change in cash and cash equivalents in the year	58,409	243,064
Cash and cash equivalents at the beginning of the year	533,507	290,443
Cash and cash equivalents at the end of the year	591,916	533,507

The notes on pages 15 to 33 form part of these financial statements

UNITAS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

1. General information

The company is a company limited by guarantee, incorporated in England and Wales. The registered office is King Street House, 15 Upper King Street, Norwich, Norfolk, United Kingdom, NR3 1RB. The registered company number is 06739988. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

UNITAS meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

The income and expenditure account for the year dealt with in the accounts of the company was £19,857 deficit (2019: £38,957 deficit).

2.2 Going concern

In approving these accounts, the Trustees have assessed whether the use of going concern is appropriate and whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

Taking into account the expected level of income and expenditure, the level of unrestricted funds, the liquid assets and funding secured to 31 March 2022 and beyond, the Trustees consider the organisation is in a stable financial position. The Trustees consider that the budgeted cashflow and the level of unrestricted reserves are sufficient for UNITAS to be able to meet its liabilities as they fall due for at least 12 months. For this reason, the Trustees consider it appropriate for the financial statements to continue to be prepared on a going concern basis and that there are no material uncertainties.

UNITAS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.3 Income

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Recognition policies for Academy contracts

YJEPC: 30% of income recognised at registration, 70% split over the 8 months of the course.

Foundation Degree and Bachelor of Arts (with or without Honours) courses: 15% of income recognised at registration, 85% split over the 26 months of the course.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity.

Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out at Central Office.

Charitable activities and Governance costs are costs incurred on the company's charitable operations. Support costs and costs relating to the governance of the company are allocated to charitable activities to which they relate where possible, with the remainder apportioned appropriately between the Charity and its Subsidiary.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

2.5 Research and development

Development costs are capitalised within intangible assets where they can be identified with a specific product or project anticipated to produce future benefits, and are amortised on the straight line basis over the anticipated life of the benefits arising from the completed product or project.

Deferred research and development costs are reviewed annually, and where future benefits are deemed to have ceased or to be in doubt, the balance of any related research and development is written off to the Consolidated statement of financial activities.

UNITAS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

2. Accounting policies (continued)

2.6 Taxation

The company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.7 Intangible assets and amortisation

Intangible assets costing £100 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets include costs of developing training materials that will be realised in delivery of UNITAS courses.

The estimated useful lives are as follows:

Amortisation is provided on the following bases:

Book Publishing Rights	-	% 20% straight line
Training Materials	-	% 14% - 20% straight line
Website	-	% 20% straight line

2.8 Tangible fixed assets and depreciation

Tangible fixed assets costing £100 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, .

Depreciation is provided on the following basis:

Office equipment	- 33% straight line
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UNITAS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

2. Accounting policies (continued)

2.9 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.10 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.11 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.12 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.13 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation.

2.14 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.15 Operating leases

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

UNITAS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.16 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

2.17 Fund accounting

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

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

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs 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.

Investment income, gains and losses are allocated to the appropriate fund.

3. Critical accounting estimates and areas of judgment

Estimates and judgments 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 items in the financial statements where these adjustments and estimates have been made include:

Critical accounting estimates and assumptions:

The annual amortisation/depreciation charge for intangible and tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual lives are reassessed annually. See notes 10 and 11 for the carrying amounts of the assets, and notes 2.7 and 2.8 for the useful economic lives for each class of asset.

UNITAS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

4. Income from charitable activities

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
ACE - Summer Arts College	-	300,000	300,000
West Midlands PCC - Summer Arts College	-	20,000	20,000
Text Now	1,250	-	1,250
ACE - Research	-	-	-
Social Policy (UA)	7,133	-	7,133
Management & Coaching (UA)	71,350	-	71,350
Dissertation (UA)	863	-	863
Youth Justice Institute (UA)	33,600	-	33,600
YJEPC (UA)	143,258	-	143,258
Foundation Degree (UA)	972,729	-	972,729
Other	11,956	-	11,956
Total 2020	1,242,139	320,000	1,562,139

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
ACE - Summer Arts College	-	300,000	300,000
Text Now	13,000	-	13,000
ACE - Research	-	10,067	10,067
YJEPC (UA)	126,121	-	126,121
ITC Fee Income (UA)	19,799	-	19,799
Foundation Degree (UA)	807,732	-	807,732
<i>Total 2019</i>	966,652	310,067	1,276,719

UNITAS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

5. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £
Bank interest receivable	1,075	1,075
	<u>1,075</u>	<u>1,075</u>
	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Bank interest receivable	1,254	1,254
	<u>1,254</u>	<u>1,254</u>

6. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Summer Arts College	254,383	82,074	336,457
TextNow	7,474	842	8,316
Social Policy (UA)	25,717	9,861	35,578
Management & Coaching (UA)	38,442	38,724	77,166
Dissertation (UA)	486	6,883	7,369
Youth Justice Institute (UA)	2,522	31,303	33,825
YJEPC (UA)	112,489	60,324	172,813
Foundation Degree (UA)	604,889	226,227	831,116
Other (UA)	30,525	14,712	45,237
Other	-	146	146
	<u>1,076,927</u>	<u>471,096</u>	<u>1,548,023</u>
Total 2020	<u>1,076,927</u>	<u>471,096</u>	<u>1,548,023</u>

UNITAS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

6. Analysis of expenditure by activities (continued)

	<i>Activities undertaken directly 2019 £</i>	<i>Support costs 2019 £</i>	<i>Total funds 2019 £</i>
ACE - Summer Arts College	216,784	93,283	310,067
Text Now	14,565	14,333	28,898
ACE - Research	17,481	10,572	28,053
YJEPC (UA)	112,954	93,100	206,054
Foundation Degree (UA)	477,058	379,887	856,945
<i>Total 2019</i>	<u>838,842</u>	<u>591,175</u>	<u>1,430,017</u>

UNITAS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

6. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2020 £	<i>Total funds 2019 £</i>
Wages and salaries	302,876	432,741
Depreciation	3,830	3,233
Office costs	31,252	22,162
Property rent	28,912	25,140
Interest payable	342	11
Sundry expenses	12,335	6,906
Capital manager resources	42,444	25,856
Meetings and travel	23,318	21,852
Marketing	10,896	17,333
Legal and professional fees	14,891	35,941
	471,096	591,175

7. Auditors' remuneration

The auditors' remuneration amounts to an auditor fee of £9,000 (2019 - £8,900), and fees for assistance in the preparation of the accounts of £2,000 (2019 - £2,000).

UNITAS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

8. Staff costs

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Wages and salaries	287,767	<i>274,450</i>	234,268	<i>274,450</i>
Social security costs	25,512	<i>104,520</i>	25,512	<i>19,820</i>
Contribution to defined contribution pension schemes	21,222	<i>25,851</i>	21,222	<i>25,851</i>
Other employment costs	21,874	<i>27,920</i>	19,624	<i>27,920</i>
	356,375	<i>432,741</i>	300,626	<i>348,041</i>

The above costs, £356,375 (2019: £432,741) reflect general wages that are included within expenditure in the Statement of Financial Activities. A further £81,526 (2019: £47,838) of wages costs have been capitalised.

The average number of persons employed by the company during the year was as follows:

Group 2020 No.	<i>Group 2019 No.</i>
8	<i>8</i>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2020 No.	<i>Group 2019 No.</i>
In the band £110,000 - £119,999	1	<i>1</i>

Key management personnel consist of the Trustees, the Chief Executive and the Business Director. Emoluments (including employer's national insurance and pension contributions) paid to members of the key management personnel totalled £209,755 (2019: £201,397).

9. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 March 2020, no Trustee expenses have been incurred (2019 - £NIL).

UNITAS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

10. Intangible assets

Group and Company

	Book Publishing Rights £	Training Materials £	Website £	Total £
Cost				
At 1 April 2019	11,410	437,607	137,968	586,985
Additions	-	203,935	17,234	221,169
Disposals	-	(17,052)	-	(17,052)
At 31 March 2020	11,410	624,490	155,202	791,102
Amortisation				
At 1 April 2019	6,846	115,642	48,255	170,743
Charge for the year	2,282	102,531	27,641	132,454
Eliminated on disposal	-	(9,002)	-	(9,002)
At 31 March 2020	9,128	209,171	75,896	294,195
Net book value				
At 31 March 2020	2,282	415,319	79,306	496,907
At 31 March 2019	4,564	321,965	89,713	416,242

UNITAS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

11. Tangible fixed assets

Group and Company

	Office equipment £
Cost or valuation	
At 1 April 2019	30,238
Additions	7,352
Disposals	(19,643)
At 31 March 2020	<u>17,947</u>
Depreciation	
At 1 April 2019	26,560
Charge for the year	3,257
On disposals	(19,072)
At 31 March 2020	<u>10,745</u>
Net book value	
At 31 March 2020	<u><u>7,202</u></u>
<i>At 31 March 2019</i>	<u><u>3,678</u></u>

12. Fixed asset investments

	Investments in subsidiary companies £
Company	
Cost or valuation	
At 1 April 2019	100
At 31 March 2020	<u><u>100</u></u>

UNITAS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

13. Stocks

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Finished goods and goods for resale	24,332	43,263	482	66

14. Debtors

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Trade debtors	147,015	117,546	13,500	5,100
Other debtors	-	21,533	5,830	21,533
Prepayments and accrued income	220,799	189,089	28,470	39,226
	367,814	328,168	47,800	65,859

15. Creditors: Amounts falling due within one year

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Trade creditors	98,821	83,388	17,173	33,746
Amounts owed to group undertakings	-	-	404,014	332,435
Other taxation and social security	21,855	18,762	9,430	6,446
Accruals and deferred income	1,092,469	962,873	21,328	30,471
	1,213,145	1,065,023	451,945	403,098

	Group 2020 £	<i>Group 2019 £</i>
Deferred income at 1 April 2019	843,313	441,637
Resources deferred during the year	857,829	725,646
Amounts released from previous periods	(654,587)	(323,970)
	1,046,555	843,313

Deferred income reflects course fees received ahead of delivery.

UNITAS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

16. Statement of funds

Statement of funds - current year

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2020 £
Unrestricted funds					
Designated funds					
Fixed asset fund	419,920	-	(135,711)	219,900	504,109
General funds					
General funds	(160,085)	1,243,214	(1,075,855)	(236,357)	(229,083)
Total Unrestricted funds	259,835	1,243,214	(1,211,566)	(16,457)	275,026
Restricted funds					
Arts Council England - Summer Arts College	-	300,000	(300,000)	-	-
Other Arts Programmes	-	20,000	(36,457)	16,457	-
Total Restricted funds	-	320,000	(336,457)	16,457	-
Total of funds	259,835	1,563,214	(1,548,023)	-	275,026

UNITAS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

16. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 March 2019 £</i>
Unrestricted funds					
Designated funds					
Fixed asset fund	350,280	-	(93,190)	162,830	419,920
General funds					
General funds	61,599	967,906	(1,026,760)	(162,830)	(160,085)
Total Unrestricted funds	411,879	967,906	(1,119,950)	-	259,835
Restricted funds					
Arts Council England - Summer Arts College	-	300,000	(300,000)	-	-
Arts Council England - Research	-	10,067	(10,067)	-	-
	-	310,067	(310,067)	-	-
Total of funds	411,879	1,277,973	(1,430,017)	-	259,835

UNITAS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

17. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	7,202	7,202
Intangible fixed assets	496,907	496,907
Current assets	984,062	984,062
Creditors due within one year	(1,213,145)	(1,213,145)
Total	<u>275,026</u>	<u>275,026</u>

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Tangible fixed assets	3,678	3,678
Intangible fixed assets	416,242	416,242
Current assets	904,938	904,938
Creditors due within one year	(1,065,023)	(1,065,023)
Total	<u>259,835</u>	<u>259,835</u>

UNITAS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

18. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2020 £	<i>Group 2019 £</i>
Net income/expenditure for the period (as per Statement of Financial Activities)	15,191	<i>(152,044)</i>
Adjustments for:		
Amortisation and depreciation charges	135,711	<i>93,190</i>
Loss on disposal of fixed assets	8,621	<i>-</i>
Decrease in stocks	18,931	<i>1,248</i>
Increase in debtors	(39,646)	<i>(32,456)</i>
Increase in creditors	148,122	<i>489,822</i>
Tax movement	-	<i>6,134</i>
Net cash provided by operating activities	286,930	<i>405,894</i>

19. Analysis of cash and cash equivalents

	Group 2020 £	<i>Group 2019 £</i>
Cash in hand	591,916	<i>533,507</i>
Total cash and cash equivalents	591,916	<i>533,507</i>

20. Analysis of changes in net debt

	At 1 April 2019 £	Cash flows £	At 31 March 2020 £
Cash at bank and in hand	533,507	58,409	591,916

UNITAS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

21. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £21,222 (2019 - £25,851). No contributions were payable to the fund at the balance sheet date.

22. Operating lease commitments

At 31 March 2020 the Group and the company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Not later than 1 year	17,660	-	17,660	-

23. Related party transactions

In the year the following transactions took place between the Charity and its wholly owned subsidiary Unitas Academy Limited:

The Charity charged Unitas Academy Limited £144,332 (2019: £65,567) for the use of training materials. At the balance sheet date, the Charity owed £404,014 (2019: £332,435) to Unitas Academy Limited.

Erica Crump, a trustee of the Charity, is a partner of Bates Wells & Braithwaite London LLP. Fees of £158 (2019: £3,167) were charged in the year for legal and professional services. There was no balance due at the balance sheet date (2019: £Nil). During the year Bates Wells & Braithwaite ceased to provide legal advice to Unitas in accordance with the charity's approach to conflicts of interest.

UNITAS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

24. Principal subsidiaries

The following was a subsidiary undertaking of the company:

Name	Company number	Holding	Included in consolidation
Unitas Academy Ltd	10412927	100%	Yes

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit / (Loss) for the year £	Net assets £
Unitas Academy Ltd	1,238,154	(1,203,106)	35,048	(77,939)