



**Trustees' Report and  
Audited Financial  
Statements**

Nine month period ended 30 September  
2017

Charity registered number  
1147344/SC043324

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## Trustees' Report

The Trustees present the annual report and the audited financial statements of the charity for the period ended 30 September 2017. The financial statements have been prepared in accordance with the accounting policies set out in note 1 and comply with the charity's Trust Deed, the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and the Statement of Recommended Practice: Accounting and Reporting by Charities 2016 published on 16 July 2014. The charity has taken some of the exemptions available to smaller charities within SORP 2015.

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

#### Trustees

Becca Bland (External Trustee)

Darren Ellis

Harvey Gallagher (External Trustee) appointed 27 April 2017

Joe Lister

Nicholas Miller (External Trustee)

Jenny Shaw

Professor Sir Tim Wilson (External Trustee) appointed 27 April 2017

#### Charity number

1147344 / SC043324

#### Principal office

South Quay

Temple Back

BRISTOL

BS1 6FL

#### Auditor

Deloitte LLP

Statutory Auditor

3 Rivergate

Temple Quay

BRISTOL

BS1 6GD

#### Bankers

Royal Bank of Scotland

P.O. Box: 238

32 Corn Street

BRISTOL

BS1 1HQ

## Trustees' Report (continued)

### Structure, governance and management

#### The Charitable Trust

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

In 2016, Unite made a donation of 4,128,819 units in the Unite UK Student Accommodation Fund (USAF), a Jersey-based Unit Trust, to the Unite Foundation. As at 30 September 2017, the value of these units increased to £5,396,366 from £5,309,661 at the end of 2016. The Trust has received dividends from the units held in USAF in the nine month period to September 2017 in the value of £226,796 (year ending 31 December 2016: 167,202)

Unite was the primary donor to the Trust during the period, donating £1,159,202 (year ended 31 December 2016: £1,282,798).

The Trust changed its year-end from 31 December to 30 September in order to align its financial year with the academic timetable adhered to by its beneficiaries and university partners. This amendment also aligns with the quarterly revaluation date of the units held in USAF, which is the Trust's principal asset. This has been implemented for the 2017 period, resulting in a transitional nine month period of results with comparatives in 2016 being for 12 months. The next financial year will run from 1 October 2017 to 30 September 2018.

#### Trustees, governance and management

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

With the Unite Foundation now in its 5th year and following the recruitment of new Trustees, the Board of Trustees decided to undertake a governance review of the Foundation. This governance review assessed the Foundation's activity and documentation against the Charity Commission's Charity Governance Code 2017. The Code for larger charities was used in recognition of the Trust's annual turnover. The Foundation was assessed against the 7 principles and recommended practices outlined in the Code, as well as the Charity Commission's Guide to Corporate Foundations. This review was undertaken by the Assistant Company Secretary of The Unite Group plc.

This governance review concluded that the key recommended practices from the Charity Governance Code are consistently applied. The Board of Trustees has clear objectives and strategy in place. The Trustees deploy a wide range of skills, knowledge and experience essential to good governance and the balance of expertise is kept under review. It was recommended to review and refresh key agreements and policies annually. Going forward, the Board of Trustees will consider conducting an external governance review, to be synchronised with an external Trustee evaluation, in the next 2 to 3 years.

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

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

The Trustees keep their skill requirements under review and subscribe to charity law and guidance publications. Newly appointed Trustees receive an induction on the workings of the Trust and its policies and procedures, and receive a copy of the Trust Deed and of the latest report and statement on accounts. Ongoing training is the responsibility of individual Trustees. No Trustee received any remuneration from the Trust during the current or prior period.

The day-to-day running of the Foundation was undertaken by a team of two permanent paid staff supported by the Chair. Unite Group employees who provided additional specialist support, e.g. finance, legal or communications, received no remuneration or reimbursement of expenses from the Trust during the period, which is not recharged to the Foundation and its value is unable to be quantified.

## Trustees' Report (continued)

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

### Objectives and activities

#### Charitable purpose

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

#### Main activity

The Unite Foundation offers a scholarship scheme with specific partner universities. During 2017, the Foundation amended the terms of the scholarship for new scholarship students joining the scheme in the 2017/18 academic year. Undergraduate students from this point forward are entitled to three separate years of free accommodation which is approved by the Board on an annual basis; students in the scheme before this period receive an annual cost of living allowance of £3,000 (£4,000 for students in London) in addition to their rent-free accommodation.

#### Grants policy

Applications for scholarship awards exceeded the number of awards available (70 new scholarship students for 2017/18 (44: 2016/17)). The Trustees take a decision about which students will receive the scholarship support on an annual basis during a Trustees' meeting in June. The agreed cohort reflected the published scholarship scheme priorities of:

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

### Achievements and development

#### Scholarship scheme

In 2017 the Foundation held a public call for additional university partners. The outcome of this call was an increase in university partners from 10 to 28. The framework agreement that prescribed this expansion is published on the website [www.unitefoundation.co.uk](http://www.unitefoundation.co.uk).

The Board awarded an increased number of individual scholarships; a further 70 scholarships (from 44 in 2016) to young people from a care or estranged background engaged in university education in 2017/18. This brought the total number of students having been supported by the scholarship scheme to 250, from 2012 to September 2018.

Scholarships were available at the following universities:

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

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

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

## Trustees' Report (continued)

### Progress against 2017 objectives

Objective	Impact
Expand the scholarship scheme, aiming to at least double the number of our university partners offering support to our target beneficiary populations.	The scheme almost tripled in size enabling a significantly wider beneficiary catchment. This increased network also supported the first cycle of scheme adjustment and clearing where young people awarded scholarships ahead of their examination results could move their awards between any of the university partners. This innovation meant that the scholarship scheme could closely reflect the 'typical' student experience where 24% of students change choice of HEI (UCAS 2016).
Increase the number of scholarships we offer annually, tailoring the support to what is needed most in order to reach more young people	The number of scholarships offered annually increased from 50 to 70. The package of support focused exclusively on free accommodation; reflecting feedback from university partners and young people.
Investing further in our impact measurement activity, empowering care leaver and estranged beneficiaries to drive our strategy, communications and research agenda.	A theory of change document drives the evolving impact measurement of the scholarship scheme. Areas of focus include: the extent to which the scholarship influences HE choice, the value the scholarship has within an individual's HE experience, and post-graduate outcomes. Work continues to seek examples of good practice in the field of grant giving (to individuals) so as to inform further development.
Applying our partnership approach by identifying charitable or public sector organisations with whom we can add value toward shared goals.	We engaged with key 3 <sup>rd</sup> sector organisations including Centrepoin, Into University, Social Mobility Foundation and members of the National Association of Virtual School Heads. (NAVSH). These links enabled the Foundation to reach out directly to many more young people and to add value to the work of other charities engaged in widening participation in HE by care leavers and estranged young people.
Investing in our communications programme ensuring young people know our support is available and that the wider community can be inspired by the resilience, talent and energy of Unite Foundation students.	A refreshed website was launched in year – <a href="http://www.unitefoundation.co.uk">www.unitefoundation.co.uk</a> – that shares core information about the scholarship scheme for young people, universities and other stakeholders. The site also hosts what will be a cumulative library of scholarship student case studies. Communications consultancy was secured to develop social media and digital platforms as part of outreach, as well as to produce printed collateral reflecting the charitable purpose.
Sharing our insight via publication of our differentiated evaluation surveys.	Publication of differentiated surveys to take place in December 2017. Learning from the evaluation has informed the development objectives for 2017/18 with employability support.
Further strengthening our Board to ensure our work continues to be steered by relevant expertise from Higher Education and the fields of care leaver and estranged young people.	Two new trustees were welcomed to the board; Professor Sir Tim Wilson, former Vice Chancellor of the University of Hertfordshire, and Harvey Gallagher, Chief Executive of the National Association of Fostering Providers.

### Development objectives for 2017/18

In addition to the day-to-day delivery of the Foundation's core charitable activity, the scholarship scheme, the Trust commits to:

1. Provision of targeted employability support to scholarship students; directly and as part of collaborative activity with university partners, 3<sup>rd</sup> sector organisations and corporate supporters.
2. The convening of a Board sub-group that will commission research and insight of direct value to those working with care leavers and estranged students. Areas of focus will include access, participation and post-graduate outcomes.
3. Developing clear visibility with university partners of the impact of scholarship awards on care leaver and estranged student access, attainment and outcomes (up to the PVC/DVC level). In doing so we will monitor improved experience and retention for the wider cohort of estranged and care leaver students within each of our partner universities.

## Trustees' Report (continued)

### Financial review

#### Financial review for the period

Details of the financial performance are set out in the Statement of Financial Activities on page 11. The Trust is reliant on a combination of an annual donation from Unite Students and income from its asset of units in the USAF fund. Several small donations have been received to the sum of £17,674, of which £2,674 is restricted funds from the Debrett's Foundation. The Trust revised its year-end from 31 December to 30 September in order to align the financial year with the academic year and support narratives of investment and charitable impact.

#### Reserves policy

The Trust held positive reserves of £6,200,623 at 30 September 2017 of which £5,396,366 relates to the investment units held in an endowment fund. At the end of the period, excluding the investment held within the endowment fund and restricted funds, the Trust held positive reserves of £801,583. In the Trustees' view, the reserves should provide the charity with sufficient resource to meet three months of operational expenditure. The reserves policy was revised at the October 2017 AGM and extended to meet six months of operational commitment, which as at September 2017 is calculated at £823k. This is a reflection of the obligations to Foundation scholarship beneficiaries and recognition that they should not be disadvantaged as a result of withdrawal of funding and/or accommodation within an academic year. Unite has continued to provide the Trust with an undertaking that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the Trust. The revised reserves policy will incorporate cash flow consideration within its calculation to further reduce reliance upon Unite Group.

#### Related parties

Unite made a cash donation of £1,159,202 to the Trust during the period (31 December 2016: £1,282,798). By the end of September 2017 the USAF units had increased in value to £5,396,366 (31 December 2016: 5,309,661) and dividends received were £226,796 for the nine month period ended 30 September 2017 (year ended 31 December 2016: 167,202). Nothing is due from the Trust to Unite in respect of this asset.

The Trust is legally separate from Unite. Other than the role of some employees as Trustees, as described in the Trustees' Report, Unite has no involvement or influence over the Trust's activities and grant making decisions.

At 30 September 2017, £69,159 was due to Unite (31 December 2016: £49,310), in relation to reimbursed costs.

At 30 September 2017, £582,000 is due from Unite (31 December 2016: £Nil), in relation to accrued donations which remained unpaid at the year end.

#### Trustees' analysis of key risks

The Foundation is reliant on an annual donation from Unite Students and income from units which the Foundation owns in the USAF fund (previously donated by Unite Group Plc ("UTG")). The board continue to expand other sponsors to reduce the reliance on a single corporate donor, whilst recognising the Foundation is a corporate foundation. This is consistent with the risk register, which is held at 'medium' in the light of the long-term commitment from the Unite Group Board and the asset-based income stream.

#### Going concern

The financial statements have been prepared on a going concern basis which the Trustees believe to be appropriate for the following reasons. The Trust now holds an investment in the Unite UK Student Accommodation Fund (USAF) and is therefore no longer entirely dependent upon a recurrent donation from Unite for its income. In addition to distribution income from USAF, Unite has provided the Trust with an undertaking that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the Trust. Further, the Trustees have the ability to vary their donation decisions based on investment income received in any period.

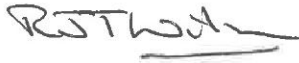
This should enable the Trust to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. The Trustees acknowledge that there can be no certainty that the financial support will continue beyond the current undertaking, although, at the date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

## Trustees' Report (continued)

### Disclosure of information to auditor

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

By order of the Trustees



1914118

Chair of Trustees



## Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that 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 in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 September 2017 and of its incoming resources and application of resources for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

We have audited the financial statements of The Unite Foundation (the 'charity') which comprise:

- the statement of financial activities;
- the balance sheet;
- the cash flow statement;
- the statement of accounting policies; and
- the related notes 1 to 12.

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

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

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

#### **Conclusions relating to going concern**

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

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

We have nothing to report in respect of these matters.

#### **Other information**

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

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

misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

#### **Responsibilities of trustees**

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

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

#### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with those Acts and relevant regulations made or having effect thereunder.

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

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

#### **Use of our report**

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

#### **Report on other legal and regulatory requirements**

Matters on which we are required to report by exception

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

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

We have nothing to report in respect of these matters.

*Deloitte LLP*

(1) [Signature]

Deloitte LLP

Statutory Auditor

Bristol, United Kingdom

(2) [Date]

*26 April 2018*

Deloitte LLP is eligible for appointment as auditor for the charity by virtue of its eligibility for appointment as audit of a company under section 1212 of the Companies Act 2006.

## Statement of Financial Activities including Income and Expenditure and Total Recognised Gains and Losses

*for the period ended 30 September 2017*

					Nine month period ended 30 September 2017				Year ended 31 December 2016
	Note	Unrestricted funds £	Restricted funds £	Endowment funds £	£	Unrestricted funds £	Restricted funds £	Endowment funds £	£
Income from:									
Voluntary income		1,159,202	-	-	1,159,202	1,282,798	-	-	1,282,798
Donation of investment asset	5	-	-	-	-	-	-	4,938,068	4,938,068
Investment income		226,796	-	-	226,796	167,202	-	-	167,202
Activities for generating funds		15,000	2,674	-	17,674	44,748	-	-	44,748
Total income		1,400,998	2,674	-	1,403,672	1,494,748	-	4,938,068	6,432,816
Expenditure on:									
Charitable expenditure – Grants	4	1,051,147	-	-	1,051,147	1,217,218	-	-	1,217,218
Support costs	4	7,352	-	-	7,352	6,433	-	-	6,433
Charitable expenditure - Other	4	93,881	-	-	93,881	58,542	-	-	58,542
Total expenditure		1,152,380	-	-	1,152,380	1,282,193	-	-	1,282,193
Net income before investment gains									
		248,618	2,674	-	251,292	212,555	-	4,938,068	5,150,623
Net gains on investments		-	-	86,705	86,705	-	-	371,593	371,593
Net movement in funds	2	248,618	2,674	86,705	337,997	212,555	-	5,309,661	5,522,216
Total funds brought forward		552,965	-	5,309,661	5,862,626	340,410	-	-	340,410
Total funds carried forward	8	801,583	2,674	5,396,366	6,200,623	552,965	-	5,309,661	5,862,626

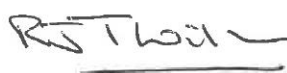
The income and resulting net movement in funds arise from continuing operations.

**Balance Sheet**  
**as at 30 September 2017**

	Note	Unrestricted funds	Restricted Funds	Endowment Fund	30 September 2017	Unrestricted funds	Restricted Funds	Endowment Fund	31 December 2016
		£	£	£	£	£	£		£
<b>Fixed assets</b>									
Investments	5	-	-	5,396,366	<b>5,396,366</b>	-	-	5,309,661	5,309,661
<b>Current assets</b>									
Cash at bank		194,959	2,674	-	<b>197,633</b>	750,710	-	-	750,710
Debtors	6	715,842	-	-	<b>715,843</b>	22,798	-	-	22,798
		<u>910,801</u>	<u>2,674</u>	<u>-</u>	<u><b>913,485</b></u>	<u>773,508</u>	<u>-</u>	<u>-</u>	<u>773,508</u>
<b>Creditors: amounts falling due within one year</b>	7	(109,218)	-	-	<b>(109,218)</b>	(220,543)	-	-	(220,543)
		<u>801,583</u>	<u>2,674</u>	<u>-</u>	<u><b>804,257</b></u>	<u>552,965</u>	<u>-</u>	<u>-</u>	<u>552,965</u>
<b>Net current assets</b>									
		<u>801,583</u>	<u>2,674</u>	<u>5,396,366</u>	<u><b>6,200,623</b></u>	<u>552,965</u>	<u>-</u>	<u>5,309,661</u>	<u>5,862,626</u>
<b>Net assets</b>									
		<u>801,583</u>	<u>2,674</u>	<u>5,396,366</u>	<u><b>6,200,623</b></u>	<u>552,965</u>	<u>-</u>	<u>5,309,661</u>	<u>5,862,626</u>
<b>Funds</b>									
Restricted funds	8	-	2,674	-	<b>2,674</b>	-	-	5,309,661	5,309,661
Endowment funds	8	-	-	5,396,366	<b>5,396,366</b>	-	-	-	-
Unrestricted funds	8	801,583	-	-	<b>801,583</b>	552,965	-	-	552,965
		<u>801,583</u>	<u>2,674</u>	<u>5,396,366</u>	<u><b>6,200,623</b></u>	<u>552,965</u>	<u>-</u>	<u>5,309,661</u>	<u>5,862,626</u>

These financial statements were approved by the trustees on for issue on their behalf by:

2018 and were signed and authorised



Sir Tim Wilson, Trustee 19/4/18

**Statement of Cash Flows**  
**for the nine month period ended 30 September 2017**

	<i>Note</i>	<b>Nine month period ended 30 September 2017 £</b>	<b>Year ended 31 December 2016 £</b>
<b>Cash generated from operating activities</b>			
Net cash (used in) / provided by operating activities	CF1	<b>(779,873)</b>	370,360
 <b>Cash generated from investing activities</b>			
Dividends from investments		226,796	167,202
Net cash provided by investing activities		<b>226,796</b>	167,202
 <b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(553,077)</b>	537,562
 Cash brought forward 1 January		<b>750,710</b>	213,148
 Cash carried forward 30 September / 31 December		<b>197,633</b>	750,710
 <b>Cash flow note 1 (CF1)</b>			
Operating surplus		251,292	5,150,623
(Increase)/decrease in debtors		(693,044)	251,323
(Decrease)/increase in creditors		(111,325)	73,684
Share donation		-	4,938,068
Dividend income		(226,796)	(167,202)
 <b>Net cash (used in)/ provided by operating activities</b>		<b>(779,873)</b>	370,360

## Notes to the financial statements

### 2 Accounting policies

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

#### *Basis of preparation*

The accounts (financial statements) have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

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

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

The principal accounting policies are set out below.

#### *Going concern*

The financial statements have been prepared on a going concern basis which the Trustees believe to be appropriate for the following reasons. The Trust now holds an investment in the Unite UK Student Accommodation Fund (USAF) and is therefore no longer entirely dependent upon a recurrent donation from Unite for its income. In addition to distribution income from USAF, Unite has provided the Trust with an undertaking that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the Trust. Further, the Trustees have the ability to vary their donation decisions based on investment income received in any period.

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

#### *Income*

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

#### *Expenditure*

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

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



## Notes to the financial statements

### **2. Accounting policies (continued)**

#### **Investments**

Investments are held at market value.

#### **Financial instruments**

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

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

#### **Funds**

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

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

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

#### **Taxation**

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

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

#### **Critical accounting judgements and key sources of estimation uncertainty**

In applying the charity's accounting policies, the Trustees may be required to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. During the prior year Unite donated units to the Foundation in USAF which is a Unit Trust based on Jersey. The period-end valuation has been based on the quarter-end unit price provided by the Trust.

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

## Notes (continued)

### 2 Net incoming resources and expenditure for the period

	Nine month period ended 30 September 2017 £	Year ended 31 December 2016 £
<i>Net incoming resources and expenditure for the period are stated after charging:</i>		
Auditor's remuneration – audit	<b>7,200</b>	6,000

There are no non-audit fees in the current or prior period.

### 3 Employees

The charity employed two members of staff during the period (31 December 2016: two). There are not considered to be any key management personnel employed by the charity.

	Nine month period ended 30 September 2017 £	Year ended 31 December 2016 £
Wages and salaries	<b>44,077</b>	31,067
Social security costs	<b>4,206</b>	2,457
Other pension costs	<b>1,107</b>	754
	<b>49,390</b>	34,278

No employee had salary and benefits of over £60,000 (31 December 2016: Nil) and no remuneration was paid to Trustees as key management personnel (31 December 2016: Nil).

## Notes (continued)

### 4 Resources expended

	Nine month period ended 30 September 2017 £	Year ended 31 December 2016 £
<b>Support costs</b>		
Auditor's remuneration – audit	7,200	6,000
Trustee's travel expenses	-	433
Other expenses	152	-
	<u>7,352</u>	<u>6,433</u>
 <b>Charitable expenditure -other</b>		
Communications	35,830	5,225
Salaries	49,390	34,278
Research	4,000	16,140
Other	4,661	2,899
	<u>93,881</u>	<u>58,542</u>
 <b>Charitable activities – Grants payable</b>		
Student bursaries	285,112	385,680
Student rental payments	764,664	828,446
Other	1,371	3,092
	<u>1,051,147</u>	<u>1,217,218</u>

All support costs have been allocated to one charitable activity relating to the charitable objectives of the Foundation. In addition all grants are made to individuals through 28 Partnership universities as set out in the Trustees' Report.

## Notes (continued)

### 5 Investments

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

	£
Market value at 1 January 2017	5,309,661
Additions to investments	-
Net unrealised investment gains	86,705
	<hr/>
Carrying value at 30 September 2017	5,396,366
	<hr/>

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

#### Analysis of investments

	£
Unit Trust	5,396,366
	<hr/>

### 6 Debtors

	30 September 2017 £	31 December 2016 £
Prepayments	203,001	-
Amounts due from related parties	512,841	22,798
	<hr/>	<hr/>
	715,842	22,798
	<hr/>	<hr/>

### 7 Creditors: amounts falling due within one year

	30 September 2017 £	31 December 2016 £
Accruals and deferred income	109,218	128,810
Amounts due to related parties	-	91,733
	<hr/>	<hr/>
	109,218	220,543
	<hr/>	<hr/>

## Notes (continued)

### 8 Funds

	30 September 2017	31 December 2016
Unrestricted funds	£	£
At 1 January	552,965	340,410
Total income	1,400,998	1,494,748
Total expenditure	(1,152,380)	(1,282,193)
	<hr/>	<hr/>
<b>At 30 September / 31 December</b>	<b>801,583</b>	552,965
	<hr/>	<hr/>
Restricted	£	£
At 1 January	-	-
Total income	2,674	-
Total expenditure	-	-
	<hr/>	<hr/>
One	<hr/>	<hr/>
<b>At 30 September/31 December</b>	<b>2,674</b>	-
	<hr/>	<hr/>

The restricted fund relates to a donation from Debretts Foundation which has been restricted for use in the provision of training in social confidence and employability to more scholars during the academic year 2017/18.

Endowment fund	£	£
At 1 January	5,309,661	-
Donated investment asset	-	4,938,068
Net gain on investments	86,705	371,593
	<hr/>	<hr/>
<b>At 30 September / 31 December</b>	<b>5,396,366</b>	5,309,661
	<hr/>	<hr/>

### 9 Trustees' remuneration and expenses

No Trustee received any remuneration from the Trust during the period (31 December 2016: £nil).

Two Trustees received reimbursement of travel expenses totaling £nil during the period (31 December 2016: two Trustees totaling £433).

### 10 Commitments

At 30 September 2017, the Trust has outstanding commitments of £1,223,163 (31 December 2016: £1,384,392) in respect of bursaries relating to the 2017/18 academic year which were granted prior to 30 September 2017 where the conditions associated with the grant have not yet been met, refer to expenditure accounting policy within note 1 to the accounts.

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

## **Notes** *(continued)*

### **11 Related party transactions**

Unite made a donation of £1,159,202 to the Trust during the period (31 December 2016: £1,282,798).

In 2016, Unite also made a donation of 4,128,819 units in the Unite UK Student Accommodation Fund (USAF) to the Trust. At the time of the donation these units were valued at £4,938,058. By September 2017, the units had increased in value to £5,396,366. Nothing is due from the Trust to Unite in respect of this donation.

The Trust is legally separate from Unite. Other than the role of some employees as Trustees, as described in the Trustees' report, Unite has no involvement or influence over the Trust's activities and grant making decisions.

At 30 September 2017, £69,159 was due to Unite (31 December 2016: £49,310), in relation to reimbursed costs.

At 30 September 2017, £582,000 is due from Unite (31 December 2016: £Nil), in relation to accrued donations which remained unpaid at the year end.

Unite Trustees do not receive any remuneration from the Trust.

### **12 Controlling party**

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