school for social entrepreneurs

# ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

**Company number: 3900741**
**Charity number: 1085465**

# CONTENTS


**03** **2017-18: The year in numbers**

**04** **Message from our Chair of Trustees**

**05** **Message from our Chief Executive**

**06** **Introduction**

**07** **Mobilising the experience of enterprising people**

09 *How we reach people*

10 *Match Trading ™*

11 *Catalysing action through financial support*

11 *Future plans*

**13** **Doing learning differently**

13 *Getting new ideas off the ground*

16 *Growing and scaling*

18 *Developing skills, leadership and entrepreneurship within the social sector*

19 *Future plans*

**20** **Building a network of sustainable schools**

21 *Quality and learning*

22 *Sustainability and development*

22 *Branding and communications*

22 *Future plans*

**23** **Creating social change**

23 *Impacting a wide range of social and environmental issues*

26 *A ripple effect*

28 *Providing ongoing support for long-term impact*

**29** **Employees, volunteers and supporters**

**30** **Fundraising**

**30** **Governance and management**

**33** **Financial review**

**35** **Statement of responsibilities of the trustees**

**36** **Independent auditor's report**

**39** **Statement of financial activities**

**40** **Balance sheet**

**41** **Consolidated statement of cash flows**

**42** **Notes to the financial statements**

**57** **Appendix**

# 2017-18

# THE YEAR IN NUMBERS

**1,200**
supported through our nationally coordinated and London school programmes

**2 in 3**
of our students were women

**50.8k**
Twitter followers accross our global network

We helped
**470**
social entrepreneurs looking to get a new idea off the ground

**20%**
of our students were from a BAME background

**21**
organisations joined our Match Trading ™ task force

We helped
**191**
social entrepreneurs and community businesses to grow their impact

We supported
**65**
social entrepreneurs looking to scale their activity and take their impact to the next level

We ran
**29**
short courses and workshops supporting the skills development of 368 individuals

We supported
**133**
leaders of social organisations looking to develop their leadership skills

# MESSAGE FROM OUR CHAIR OF TRUSTEES

## Richard Collier-Keywood

It has been a momentous year to become Chair of the School for Social Entrepreneurs, as we celebrated our 20th anniversary. In 1997, Michael Young founded SSE as one of the world's first support organisations for social entrepreneurs, with a cohort of 24 people in Bethnal Green, London. Today, we support more than 1,000 people each year to lead social change and our global network of schools spans the UK, India and Canada. SSE is mobilising the experiences of social entrepreneurs, intrapreneurs and social-sector leaders to transform communities and help people in need from Durham to Delhi, from Edinburgh to Ontario.

In July 2017, we brought together staff and associates from all across our network to understand where we are today and to make exciting plans for the future. Our long-term commitment to supporting social change was clear as I heard people from three different continents refer to our global team as a "family". Afterwards at our 20th birthday celebration in East London, hundreds more people and organisations who are part of the SSE community – our fellows, funders, partners, friends in the sector, facilitators, mentors, witnesses, volunteers and many more who support our mission in myriad ways spent time refreshing relationships and reaffirming commitments to work together in the future. Together, we are tackling some of society's biggest problems through social entrepreneurship and we are excited to be a part of a global movement to build a better, fairer future for all.

The team at SSE have spent two decades understanding how to support the learning of social entrepreneurs. Our pioneering approach to action-based learning was developed during SSE's earliest days by my predecessor, Charlotte Young. I know I speak for all at SSE when I express my deep gratitude for all the ways in which Charlotte has shaped and guided SSE, and we are delighted she remains a trustee and an active member of our community.

SSE is deeply rooted in two decades' worth of understanding of how individuals can change society for the better. Yet it is vital that we continue to innovate and respond to the needs of people we support. Today, we offer short courses and workshops, funding, mentoring, events, and connections across our community.

I have set out a few highlights of the year:

- In September 2017 we launched Match TradingTM a sector leading innovation in grant funding for social-purpose organisations that incentivises trading.
- We built our Funders Plus practice whereby we work in partnership with funders to design leadership programmes for their beneficiary organisations
- We launched our first international, cross continent programme with NAMA the Badiri Social Entrepreneurship Programme, delivering across the UK, UAE and India

Our plans for the coming year include a focus on:

- Developing a more comprehensive offer to support our students
- Considering how we can improve the sustainability of what we do
- Reviewing our Network structure to ensure it is both agile and able to support our commitment to national coverage, and
- Supporting the concept of "Match Trading" for the benefit of the entire sector

Finally, I would like to thank the SSE community, my fellow trustees, Alastair and all our staff for their hard work and achievements over this year. I am convinced that social entrepreneurs have a growing role to play in making society a fairer, better place for all of us.

# MESSAGE FROM OUR CHIEF EXECUTIVE

## Alastair Wilson

I was in the very first cohort of the School for Social Entrepreneurs, led by SSE's founder, Michael Young. 'Inspiration' is a term bandied around a lot these days, but Michael was the real thing. He was committed to creating a fairer world through all his work and SSE was no exception. He realised he could multiply his impact by developing new generations of social entrepreneurs to tackle society's biggest problems. And he lit a fire inside me to dedicate my career to social entrepreneurship, too.

Twenty years on, I hope Michael would share the great pride I feel in all that SSE has achieved. In particular, I would like to thank Charlotte Young our previous Chair of Trustees, who has been with us every step of the way and is a significant part of our success. Back in 1997, very few people used the phrase 'social entrepreneurship'. Today, this approach to change is championed by governments, universities, charities and businesses, in international conferences and throughout media across many nations. We are part of a global movement striving for a better, fairer, more sustainable world.

But still more is needed to mainstream social entrepreneurship. Here at SSE we remain dedicated to mobilising the experience of enterprising people from all backgrounds to create lasting social and environmental change. Thank you to all our staff who work unstintingly to this effect. Central to our approach is supporting social entrepreneurs to use entrepreneurial approaches to achieve this and in our 20th year we have:

- Continued to provide learning to support social entrepreneurs' development at every stage: from start up, to growth, to scaling.
- Launched a new nationwide 'Trade Up' level of support to encourage social entrepreneurs to diversify their income streams, develop their income from trading, and become more sustainable.
- Supported 180 organisations with Match Trading grants. We're now scheduled to roll out Match Trading to 500 social-purpose organisations over five years through the Lloyds Bank and Bank of Scotland Social Entrepreneurs Programme and the Community Business Trade Up Programme, in partnership with Power to Change.
- Worked in cross-sector partnership to develop Match Trading through the Match Trading Task Force, enabling other organisations to use Match Trading to support their beneficiaries.
- Expanded our work with community businesses in England through the Community Business Trade Up Programme, in partnership with Power to Change.
- Applied and transferred our insights about entrepreneurship to support community and voluntary organisations looking to diversify income and develop their trading base, including in partnership with Arts Council England, Lloyds Bank Foundation, and Mercers Charitable Company.
- Promoted Nicola Steuer (formerly Director of the London School) to the newly created Managing Director post to expand SSE's leadership capacity as we grow.

As always at SSE, we support people creating change within local places and communities by giving them access to the world-leading learning, and a global community of support. There has been much to celebrate as SSE turned 20 this year, but there is plenty more to be done!

# INTRODUCTION

**Welcome to the School for Social Entrepreneurs' Annual Report and Accounts for the year ended 31 March 2018.**

The School for Social Entrepreneurs (SSE) was established in 1997 and supports people who want to change society for the better. We run programmes and courses which enable people to develop the skills and networks needed to create lasting change. We also connect them to funding, mentors, and each other.

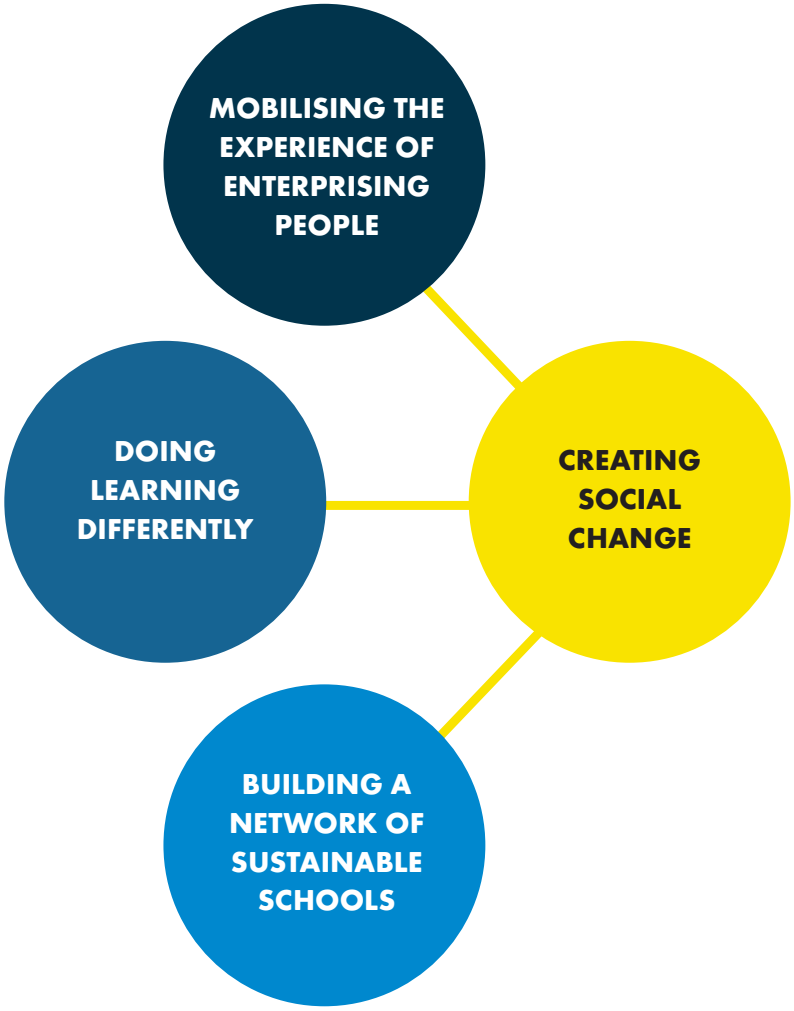
We have reported on our activity and impact in relation to the core components of our theory of change covering:

### What we do

Activities we deliver to mobilise and support people on a learning journey, and the outcomes achieved for themselves and their organisation

### What we enable

The outcomes achieved by those we support for the people and communities they serve, and the contribution they make to creating social change




This report focuses on the work of SSE in London. This encompasses programme delivery at our London School, national programmes which are coordinated centrally and delivered locally across our network, and activities we undertake to support our membership.

SSE is a social membership organisation with a global network of independent and locally governed schools operating across the UK, Canada and India.

## OUR VISION

…is of a fair and equal society where the potential of all people is fully realised

## OUR MISSION

…is to mobilise the experience of enterprising people from all backgrounds and support them to use entrepreneurial approaches to create lasting social and environmental change.

## OUR VALUES

…in all aspects of work are integrity, inclusivity, and empowerment.

# MOBILISING THE EXPERIENCE OF ENTERPRISING PEOPLE

**The School for Social Entrepreneurs targets its support to those who can make a positive and lasting difference to society. Finding and mobilising those people – who may not see themselves as social entrepreneurs or leaders of change in their community - is where our activity starts.**

## Who we have supported

In 2017-18 the School for Social Entrepreneurs mobilised and supported over 1,200 people through our nationally coordinated and London School programmes:

**470** social entrepreneurs looking to get a new idea off the ground

**191** social entrepreneurs and community businesses wanting to grow their impact

**65** social entrepreneurs looking to scale their activity and take their impact to the next level

**133** leaders of social organisations looking to develop their leadership skills and transition their organisation

**368** individuals from voluntary, community, social enterprise and public sector organisations looking to develop specialist skills to support their social change activity

Over the last year, the total number of people supported through our programme delivery in London is 693, with another 534 being supported through our nationally coordinated programmes across the UK.

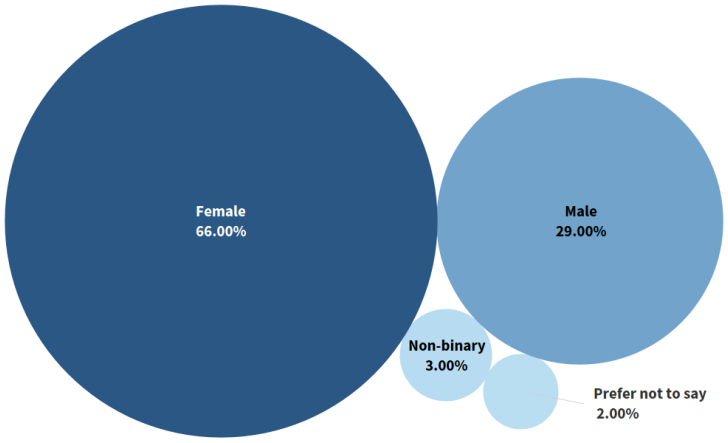
Demand for learning and support from the SSE is high. For example,

- We received 847 applications from across the UK to our Lloyds Bank Social Entrepreneurs Programme, for those wanting to start, grow or scale a project or social enterprise, representing 3.3 applicants for every place available.
- We received 363 applications from across England to our Community Business Trade Up programme in partnership with Power to Change, delivered to 99 Community Businesses across England, representing 3.7 applicants for every place.

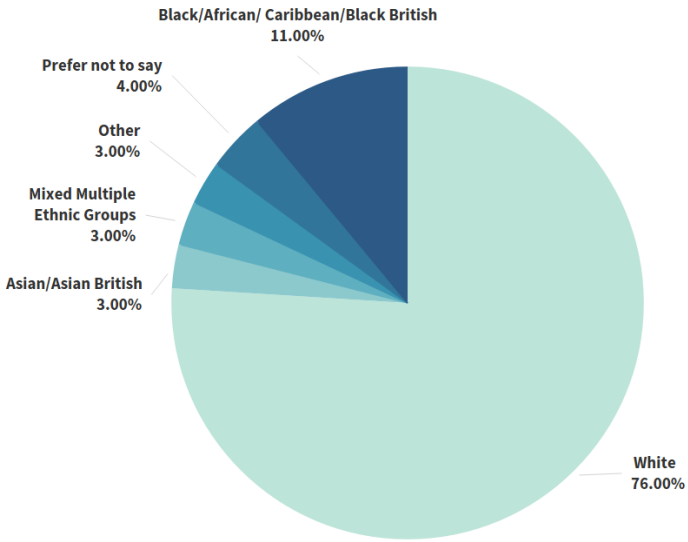
## We mobilise and engage people from diverse backgrounds.

Looking at the demographic data for our national programme cohorts for 2017-18 we see: approximately 20% of our students were from a BAME (Black Asian Minority Ethnic) background which compares to a UK average of 14%, approximately two-thirds of our students were women, and we attracted students of all ages, from under 24 to over 70.

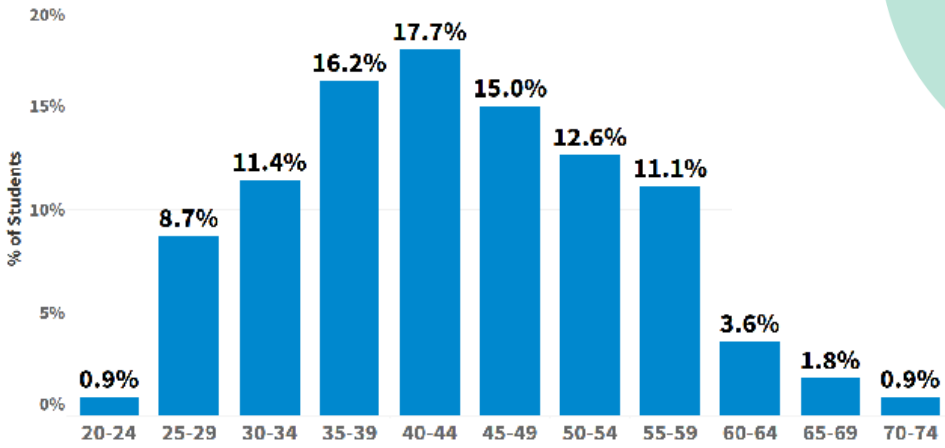
### Gender




### Ethnicity




### Age



# How we reach people

We strive to find and support those who may not otherwise find us. We unearth people working 'under the radar' to support their communities as well as those who have already identified SSE as an organisation from which they are actively seeking support. Our programmes are either no cost or low cost to the learner to ensure we reach a diversity of people and no-one is excluded based on their ability to pay. In 2017-18 we combined face-to-face work at a community level, partnership referrals, and effective use of social media to reach the people we are here to support.

## Community outreach

We held Taster sessions in community locations across the UK to help potential applicants to our national programmes (Lloyds Banking Group Social Entrepreneurs Programme and Community Business Trade Up programme) to understand our learning approach and decide if the programme is right for them.

We increased the accessibility of our London Fellowship programme by retaining the form-free application process introduced last year and moving from an interview based selection process to include more group activities for potential applicants. We also worked with referral partners and delivered recruitment workshops in different areas of London to help improve our reach into communities.

## Partnership referrals

We continued to work closely with Power to Change and also built relationships with new referral organisations including Locality, Better Community Business Network, Community Catalysts, Cooperative Community Finance, Plunkett Foundation and others working to increase our reach and support recruitment to our Community Business Trade Up programme.

We created information and media toolkits to help strategic partners and SSE Fellows (people who have graduated from our previous programmes) to promote SSE programmes to their networks.

## Social media

We recognise not everyone can make it to in-person events, so ran interactive video sessions using Facebook Live when recruiting for the Lloyds Banking Group Social Entrepreneurs Programme and Community Business Trade Up Programme.

Our students come from all backgrounds and tackle a diverse range of issues, and we wanted to get better at showing this. We created a new suite of videos to explain SSE in the voices of our students. We used these videos in social media campaigns to support recruitment from diverse communities.

We continue to engage with and support people online: on average, we receive 12,000 web visits per month, and SSE Central has just under 35.4k followers on Twitter.

# Match Trading™

**Match Trading is a world-leading innovation in grant-funding: it transforms the use of grants so that for the first time they can be applied in a way that directly incentivises trading. This produces stronger and more viable organisations, capable of achieving truly sustained benefits.**

## The Challenge

For social ventures operating in imperfect markets - in deprived areas, with poor client groups or with inefficiencies linked to their mission - generating an income through trading can be challenging and they often cannot compete with their commercial counterparts. Grants are therefore a necessary tool to indemnify these inefficiencies. But an over reliance on grants can lead to them becoming less sustainable, less investable and ultimately less powerful social change organisations.

## The solution developed by SSE is Match Trading

Match Trading empowers social entrepreneurs operating in challenging markets to build sustainable futures. Match Trading grants reward sales growth by paying out grant £ for £ against proof of increased trading income to an agreed cap.

## A successful pilot and roll-out

SSE partnered with Lloyds Bank and the Big Lottery Fund to trial the first application of Match Trading grants in 2015-16 for 19 early stage social entrepreneurs, creating a total trading uplift of £231k. The pilot data is extremely positive and strongly indicates that it is the combination of the Trade Up learning programme, alongside a Match Trading grant, that cements impact.

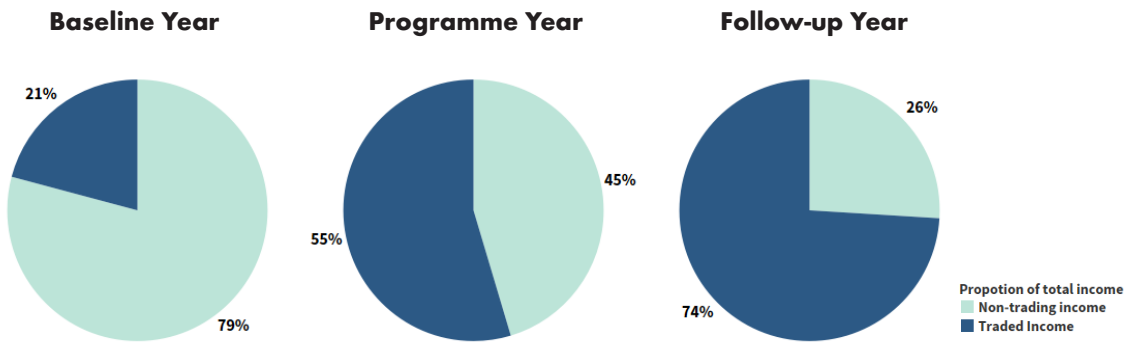
In 2017-18 we concluded a one-year follow-up study which demonstrated that trading, as a proportion of total income is steadily increasing. Organisations that participated in the pilot saw their traded income rise from 21% before the SSE programme to 55% at the end of the 12 month programme and to 74% at 12 months after the end of the programme.

In 2017-18 we have expanded our offer of Match Trading grants, alongside learning programmes, through new multi-year partnerships with Lloyds Banking Group, Big Lottery Fund, and Power to Change. A total of 160 small to mid-sized social ventures enrolled on SSE learning programmes in 2017-18 are in receipt of Match Trading grants. We are similarly tracking the data with encouraging results. The latest data from our Community Business Trade Up programme in partnership with Power to Change found that the quantity of income from trading increased by over 90% in a year (a 13 percentage point increase as a proportion of total income). This is compared to the control group whose income from trading grew by 16%. However, we did not see a notable change in the proportion of income from trading relative to overall income.

## A collaborative initiative

In 2017-18 SSE led activity to disseminate the Match Trading innovation and set-up a Taskforce of 21 key organisations to work collaboratively on taking the initiative forward. The Taskforce is chaired by the CEO of the Association of Charitable Foundations to increase research on, and adoption of, Match Trading across the sector. Along with a Grants Practice Forum set up and attended by five major trusts to share knowledge about the technicalities of implementing the innovation. SSE has also worked collaboratively with its schools to bring together roundtable meetings about Match Trading across the network, including local government, corporates and funding organisations from across the country.

### Trading as a Proportion of Overall Income: Lloyds Banking Group Pilot



# Catalysing action through financial support

We support people with good ideas and great organisations to benefit from the learning and development opportunities the School for Social Entrepreneurs provides. But we know it can be difficult to implement new ideas, products or activities to support social change without adequate funds in place. That is why we couple some of our learning programmes with financial support, giving people the financial backing to put their learning into action.

This year SSE extended our agreement with the Big Lottery Fund to manage grants to students on the Lloyds Banking Group Social Entrepreneurs Programme over the second five year phase of the programme. In addition we entered into an agreement with Arts Council England to distribute small grants to arts organisations on our Building Resilience programme and continued to make grants to community businesses as part of our grant agreement with Power to Change.

In total we granted £2,442,985 to 417 individuals and organisations, supporting them to achieve positive change for the people and communities they serve.

Of that figure £696,000 was made in traditional grants to 206 organisations and £1,810,000 in Match Traded grants to 211 organisations looking to grow their enterprises and their impact.

In addition SSE distributed grants amounting to £796,496 to support the regional delivery of programmes throughout the UK.

**"The Match Trading grant is incredibly motivating. It pushes you to make sure you do what you say you're going to do, to increase your trading."**

MADELINE ALTERMAN, ARTBOX, MATCH TRADING GRANT RECIPIENT

# Future plans - mobilising experience

Our plans for the year ahead include:

- Continuing to mobilise and support entrepreneurial people from diverse backgrounds, through effective use of social media, community outreach and partnership work. We will focus on building links that can help address areas in which we are currently under-represented.
- Working in cross-sector partnership to develop and expand the adoption of Match Trading grants to help support social purpose organisations achieve sustainable social impact.
- Making interactions with prospective and current students as easy as possible, by simplifying our application processes and further developing our online application tools.

# Samantha Francis
# Find A Balance

**Find A Balance provides bespoke mental health support in London for people from all backgrounds, but especially those from black, Asian and minority ethnic communities. Founder Samantha Francis was a student at SSE London on the Lloyds Bank Social Entrepreneurs Start Up Programme 2016-17.**

## The beginning

It was in November 2013 that Samantha Francis' son started hearing voices. "I didn't understand what was going on," recalls Samantha, a single mother-of-five. "He was at university at the time, he was so happy." Worried and confused, Samantha called her family for advice. "Oh my god, it's witchcraft, get him to church!" was the unhelpful and overwhelming response she received. What followed next was a series of traumatic events that led to her son, who was suffering from a psychotic episode, being sectioned.

Unhappy with her son's hospital treatment, Samantha took him home to care for him herself. "I realised then that we need different services to help different communities," explains Samantha. Find A Balance was launched two year years later.

## The programme

Before beginning the Start Up programme, Find A Balance was very much in the idea phase. "I had no real structure. I was just going out there and helping people, but the programme changed everything," explains Samantha.

Through the 'witness days', where social entrepreneurs share stories about their experience, and the 'expert days', where professionals help students learn about specific skills, Samantha began to develop a business model for Find A Balance. She soon registered it as a Community Interest Company, a common legal structure for social enterprises.

But as necessary as this practical and inspirational information was, the peer learning was just as relevant. "The stigma around mental health in the black community is devastating, and I had no one to help me through it. Through the programme, I could talk to my peers and even if they weren't from the black community they understood. They helped me get over it and move on."

## The future

Having already helped 70 people to manage their mental health, Samantha plans to take Find A Balance up a gear in 2018. She has a contract starting with the Peabody housing association in April, another with the Ministry of Health in Ghana in February, and is in talks with a London branch of a national mental health charity.

www.findabalance.org

**"The programme changed everything."**

CASE STUDY

# DOING LEARNING DIFFERENTLY

**Learning at SSE is action based. We support people who have a practical idea for change or an existing organisation within which to apply their learning. We have followed this action learning approach for 20 years and bring cohorts of learners together so that they can learn from each other, as well as us. Our programmes develop people's confidence and skills across four main learning outcomes.**

## Getting new ideas off the ground

In 2017-18 we ran learning programmes for 24 cohorts of early stage social entrepreneurs, all looking to get a new idea off the ground.

This year marked the conclusion of the first five years of Lloyds Bank and Bank of Scotland Social Entrepreneurs Programme. Each social entrepreneur on the programme has had access to 14 study days with witnesses and experts, Action Learning Sets, a Lloyds Banking Group mentor, and a grant from the Big Lottery Fund plus grant management support. The programme is unique in both scale and design, and has helped entrepreneurs tackle an enormous range of urgent social and environmental issues. Delivered in London and in SSE schools throughout the UK - SSE Cornwall; SSE Dartington; SSE East; SSE Hampshire; SSE Midlands; SSE North West; SSE Scotland and SSE Yorkshire, Humber and North East - it culminated in graduation events for 253 social entrepreneurs in Autumn 2017.

We are delighted that Lloyds Banking Group and the Big Lottery Fund renewed the partnership with SSE in 2017, demonstrating a significant 10 year commitment to support social entrepreneurship. In October 2017, we welcomed our new Year 6 cohorts to the Start Up programme.

A total of 16 social entrepreneurs began their journey on the Start-Up Fellowship programme in London, graduating in February 2018. With the aim of building skills in emotional resourcefulness, business skills, social impact and networks, topics included design thinking, growth mindset, strategic planning, marketing, finance and funding. In addition to the learning programme, students also attended Action Learning Sets and received one to one support via a mentor from one of SSE's corporate supporters - PwC, Linklaters and RSA.

**"SSE has helped me by making me really think through the needs we're addressing with our organisation, its structure, how to set it up and how to deal with some of the challenges. It has also been really inspiring to meet everyone in our cohort and to learn from their experiences"**

KELLY HARRIS, DS SUPPORT, FELLOWSHIP STUDENT

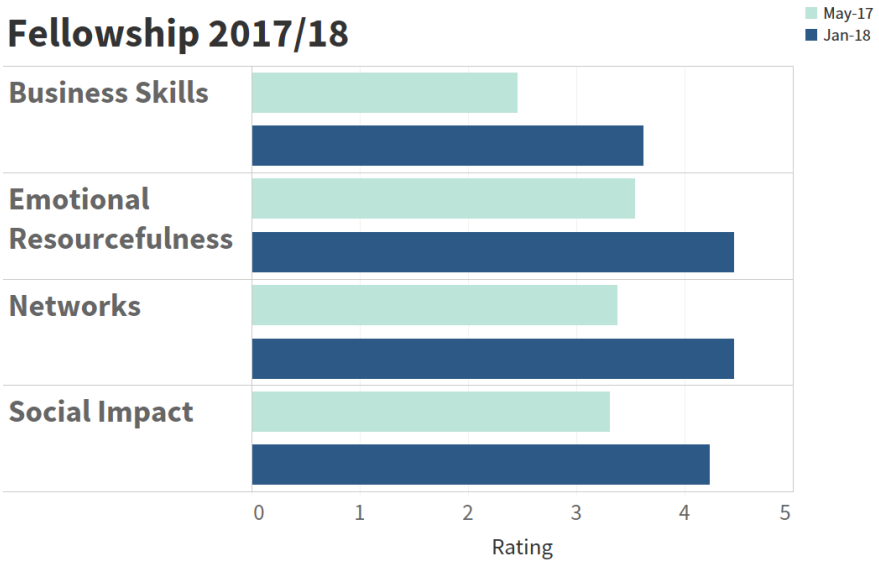
## What outcomes are acheived by our students?

### Business Skills
Enhanced **business and entrepreneurial skills** and stronger capability for trading to acheive a lasting impact

### Networks
**Stonger networks** and a community of support around the individual

### Emotional Resourcefulness
More **self-aware and more confident** leaders of social change who feel legitimate and able to make change happen

### Social Impact
**Strong sense of purpose** and clarity of desired social/environmental impact



Towards the end of the financial year we began a new partnership with the NAMA Women Advancement Establishment, based in the UAE, to run the Badiri Social Entrepreneurship Programme. SSE's first international programme will see a cohort of 13 women attend a learning programme delivered across the UAE, UK and India. We are excited to be piloting this innovative programme through an international collaboration between SSE London, SSE Cornwall and SSE India.

# Jo Larbie
# Inclusive Professions

**Inclusive Professions is a social enterprise that is tackling the underrepresentation of women and black and ethnic minority professionals in senior and leadership roles. Its founder, Jo Larbie, was a student at SSE London on the Fellowship Start Up Programme in 2017.**

## The beginning

Having enjoyed a successful career in leading international professional service firms such as Andersen's, BDO LLP, Eversheds, DLA Piper, and Bircham Dyson Bell, Jo knows what it takes to get to the top of a profession.

She set up Inclusive Professions in 2018 with the mission to help more women and BAME professionals get to the top of their profession, and take on leadership roles. She offers 1-2-1 executive coaching to enable women and BAME professionals to develop the strategies and skills that they need to advance. Her services don't just benefit individuals; "As a society, we all benefit from more women and BAME professionals in senior positions becoming involved in shaping the decisions that affect all our lives," explains Jo.

As well as 1-2-1 support, Inclusive Professionals work with businesses themselves. "I work with professional services firms to identify the stereotypes, biases, barriers to inclusion within their firms that make it more difficult for women and BAME professionals who are underrepresented at senior levels to achieve their full potential," says Jo.

## The programme

Jo used the Fellowship Start Up Programme as a spring-board to get Inclusive Professionals up and running. "Being a Fellowship student has given me time to explore, learn and understand the things that I need to do to set-up a viable and sustainable social enterprise", says Jo. "An important step-change was recognising a need to re-examine the focus of my project."

The peer-learning approach also proved personally valuable. "Sharing and hearing other Fellows' experiences and doubts – each person's project may be different but we all have doubts, fears and concerns."

As part of the programme, Jo also received support from a mentor. Rather than a traditional hierarchical relationship, mentors at SSE support social entrepreneurs by bringing a different perspective and a listening ear. For Jo, her mentor was 'a supportive sounding-board, challenging my assumptions, asking insightful questions about my project, but always [being] encouraging and enthusiastic!"

## The future

Although Inclusive Professions is now up and running, Jo plans to continue to grow using the techniques she learned on the programme. She says, "SSE has, and is, helping me to move from theory to action – to adopt a "do it now, test, review, learn from doing, repeat and above all, not to be afraid to pivot" mind-set and, to keep moving forward. Flexibility of mind and attitude is essential."

https://www.inclusiveprofessions.co.uk/

**"SSE has, and is, helping me to move from theory to action"**

CASE STUDY

# Growing and scaling

We're committed to supporting social entrepreneurs at every stage of their business, from individuals with a start-up idea to the leaders of established organisations who need support to grow even more. In 2017-18 we significantly expanded our support for established social entrepreneurs and the leaders of community businesses.

In 2017, we continued to support social entrepreneurs who were already running an established organisation through our Lloyds Bank and Bank of Scotland Social Entrepreneurs Scale Up Programme, jointly funded by the Big Lottery Fund. This Scale Up level helps students to scale their operation and in turn, amplify their social or environmental impact.

The Autumn of 2017 saw 42 students graduate from our Scale Up Programme in Liverpool and London, and we welcomed a further 20 onto the next year of the programme. After a process of review, we were excited to introduce a Match Trading grant of up to £10,000 from the Big Lottery Fund for the new 2017-18 cohort, who would attend learning days in London only.

A highlight of 2017 for SSE staff and students alike was the Lloyds Bank Social Entrepreneur of the Year Awards. Students on the 2016-17 Scale Up programme were invited to apply for the award, which came with a grand prize of £10,000 to go towards the winner's social enterprise. After a public vote, the 2017 title was won by Cemal Ezel, founder of Change Please, a social enterprise that uses coffee as a way out of homelessness. It trains homeless people to become baristas and provides a London-living wage job, housing, a bank account and therapy support to its beneficiaries.

After a successful pilot in 2015-16, the Lloyds Bank Social Entrepreneurs Trade Up Programme was rolled out in 2017 to 62 social entrepreneurs at our schools in London, Cornwall and the North West. This intermediary level between Start Up and Sale Up consisted of a twelve-month learning programme and a Match Trading grant of up to £5,000 for social entrepreneurs looking to strengthen their model and grow through sales.

Building on the success of the Trade Up programme, we worked with Power to Change to create a programme specifically for the leaders of community businesses. The Community Business Trade Up Programme comprised of six-months of in-person learning days, delivered by SSE London and SSE Liverpool. Of the 30 community business leaders recruited for the pilot programme in April 2017, two cohorts received Match Trading grants of up to £10,000 each, while a control group received traditional grants of the same size. This method allowed us to test the impact of Match Trading grants on the community business sector.

Once the success of Match Trading for community businesses had been established in this pilot programme, we began recruiting for a further 99 community business leaders in summer 2017. The successful participants began their learning journey on the Community Business Trade Up Programme in January 2018, and could choose from one of eight delivery locations across England. To further substantiate our data on the effectiveness of Match Trading grants, two control groups (in London and the North West) received traditional grants.

**"The connections you make, things you learn, and areas which you can develop as a result of the sessions, are invaluable. Added to that, the trade related grant is a great motivator for continued progress."**

SIMON COBB, STONEHAM BAKEHOUSE CIC,
COMMUNITY BUSINESS TRADE UP PROGRAMME PARTICIPANT IN LONDON

# Roisin Tobin Lockleaze

**Roisin is based in Lockleaze, Bristol. She attended the Community Business Trade Up Programme 2017-18 at SSE London.**

## How Buzz Lockleaze has impact...

Buzz Lockleaze is a locally-rooted social enterprise, set up in 2014 to alleviate the local causes of community impoverishment. Through its community cafe, health food shop and garden, Buzz Lockleaze offers affordable and nutritious groceries and prepared meals to local residents, and provides a local space for social inclusion. Buzz Lockleaze also helps to find long-term, local jobs for local people through its employment and economy project. It also engages local older people by facilitating community-led participation opportunities that seek to reduce social isolation and support residents to access local health and wellbeing provision. We are strengthening community wellbeing and resilience in Lockleaze.

## Roisin tells us how the learning programme helped her...

"It was great to be with 10 other community businesses facing the same challenges and to share with them knowing that you are not alone.

"The speakers on the learning programme were amazing. It was inspiring to hear from the leaders of other community businesses. The resources were also really useful and we will continue to use these.

"We hadn't been good at measuring our social impact before the programme but now we have started working on this. It gave me the confidence to be on top of our finances and we took our finances in-house after the finance sessions.

"The session from Henry at Happy was my favourite. It helped us understand the importance of planning and to look at the assets we have and how we can maximise what we have to address a need.

"It gave me the confidence in fine-tuning how to explain what we do in a safe space. The sessions gave us time for reflection and highlighted the importance of continued reflection.

"The programme gave us the confidence to make harder decisions. It also helped us to think about how to manage expectations of the board. We now have board meetings quarterly not monthly which has been more effective.

"It gave us confidence to secure more funding. We have raised £104,000 over two years for a community recruitment service. This all came from the programme as it gave us confidence to sell.

"We have always wanted this to be completely community led. We have looked at a cooperative structure but we are not there yet. But we have changed our memorandum and articles and our business plan to show a clearer community focus."

buzzlockleaze.co.uk

# Developing skills, leadership and entrepreneurship within the social sector

**"Excellent course and a great opportunity to network with some like minded people who are all facing the same challenges."**

TONIA FLANAGAN,
ST ALBANS COMMUNITY ASSOCIATION

**"I have absolutely never had training that has been so well thought through, so inspiring, valuable and relevant to what my needs are."**

GINA ASTON,
ADVOCACY FOR OLDER PEOPLE IN GREENWICH

**"I found the learning blocks to be stimulating and inspiring. There are so many good ideas being shared freely. Jo Hunter's witness session was truly inspirational and so relevant. As someone who has never considered himself to be 'creative' I am changing my perception of 'me'"**

JEREMY MITCHELL, PETERSFIELD MUSEUM

**"Really great – well put together and delivered. Lots of interesting doors opened!"**

DOUG SUMMERS, ATTENDEE OF HOW TO CREATE AN AUTHENTIC MISSION LED BRAND

**"Absolutely brilliant...as well as being so clearly put together the course was incredibly practical and useful"**

LUKE WARNER, ATTENDEE OF MEASURING SOCIAL IMPACT

**"This is a truly unique programme! If you have responsibility for any aspect of digital leadership in your third sector organisation this course is unmissable and will offer you so much"**

JAN GOLDING, ATTENDEE OF THIRD SECTOR DIGITAL LEADERS

In 2017-18 we delivered a total of seven bespoke learning programmes and 29 short courses and workshops to support the learning and development needs of staff and volunteers from voluntary, community, social enterprise and public sector organisations. This support reached over 500 individuals.

Some of our work involves working collaboratively with grant making foundations to provide 'funders plus' support and capacity building for their grantees. For example, we successfully delivered a Trading and Sustainability Programme on behalf of Lloyds Bank Foundation, for the third year. The programme focused on supporting participants to further develop their trading model whilst considering strategies to address gaps left by cuts in public funding. A nine-day programme was delivered twice, to a total of 42 learners across two cohorts, starting in May 2017 and November 2017.

We entered the final year of our three year partnership with Mercers Charitable Company. Twelve learners attended the Leading Sustainability Programme, which consisted of three two-day study blocks delivered over four months, with Action Learning Sets. Participants considered topics including diversifying income and leading a sustainable organisation.

Arts Council England and Garfield Weston Foundation jointly fund SSE to deliver the two year Building Resilience Through Diversity and Entrepreneurship Programme. Over the past 12 months, 25 arts and cultural organisations from across England have successfully been recruited, and 8 learning days delivered. Topics covered include Resilience through income diversification; Creativity, Entrepreneurship and Innovation; and Personal Resilience. The programme has involved each organisation receiving a £5,000 grant, Action Learning Sets, a resilience assessment, and access to four days of one to one consultancy support.

As part of our own enterprise strategy we deliver paid-for workshops and short courses to learners from a wide range of organisations across the social sector. In London we ran 29 workshop and short courses over the last year, supporting the skills development of 368 individuals. We continued to work with our partners to deliver popular courses such as Third Sector Digital Leaders, Measuring Social Impact, and Developing a Fundraising Strategy. We launched a new course on How to Create an Authentic Mission Led Brand, helping participants to develop clear and differentiated brand positioning for their charity or social enterprise.

# Future plans – doing learning differently

Our plans for the year ahead include:

- Continuing to support all stages of social entrepreneurs' development: from starting, to growing and scaling. We'll also continue to support those looking to transition their organisation to a more trading-based approach.
- Going local, supporting place-based social entrepreneurs and community businesses working within specific communities and neighbourhoods to achieve positive local change.
- Providing targeted learning and financial support to organisations addressing particular social issues or themes.
- Rolling out a revitalised approach to the recruitment, induction and support of mentors providing support to social entrepreneurs.

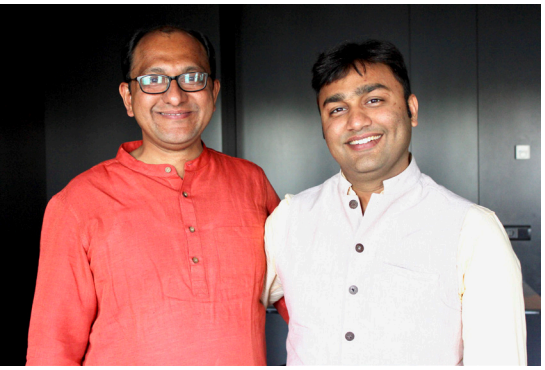
# BUILDING A NETWORK OF SUSTAINABLE SCHOOLS

The School for Social Entrepreneurs is made up of a network of social membership organisations (SSE Schools) which come together to support social entrepreneurs, social intrapreneurs and social sector organisations across the UK, Canada and India. These operate as separate entities either independently or hosted by other organisations. Alongside programme delivery through our London School, our staff team in London help to support collaboration, learning and development between SSE members.

In July 2017 for the first time we brought together all our UK and International schools to a two and a half day event offering training opportunities, good practice sharing and an opportunity to review and develop our strategic plans. The event took place at the Good Hotel in London, a social enterprise. This coincided with SSE hosting its 20th birthday event where we were joined by over 200 guests from across our global network including representatives from among our students and Fellows, corporate partners, trusts and foundations, Government, and other sector support organisations.

Our support role across the SSE network focuses on three main areas: quality and learning, sustainability and development, and branding and communications.

# Quality & Learning



As a learning organisation we take an active role in ensuring the continued improvement of programmes and in the professional development of those who deliver them.

To ensure consistent quality of delivery across our programmes we conduct an annual Quality Audit. In line with our learning approach this is a reflective process that invites all members of the team to reflect on the successes and challenges of the year and to pose learning edge questions for their school to address during the coming year.

The 2017 Quality Audit was conducted in October. All schools passed and the audit showed further improvements in the quality of programmes being delivered across the network. The 3 priority themes that emerged for development during 2017-18 are: inclusion; strengthening working relationships within the SSE network; and sustainability of network schools.

Priority themes emerging from 2016's Audit which have been addressed during the year include mentoring and action learning.

Our national approach to corporate mentoring has been refreshed, introducing mentor styles and improved information and training for mentors and mentees. This was rolled out to mentors and mentees on the Lloyds Bank Social Entrepreneurs Programme in October 2017 and has been well received. Further improvements to the quality of the experience and the support provided are being rolled out in 2018.

Following consultation with a group of Action Learning Facilitators, we have developed a series of courses to support their continued learning. These were developed in partnership with the Action Learning Centre: Virtual action Learning; Facilitation Skills; and Stretching Your Practice and Developing Your Creativity as a Facilitator.

SSE has signed up to the Equality Works Inclusive Culture Pledge which is guiding our activity to embed diversity and inclusion across all areas of the organisation. In addition we are planning to introduce training for our learning managers to build their capacity to provide appropriate support to students with mental health needs.

Throughout the year we arrange a number of activities to bring our network staff together, provide opportunities for peer to peer learning and sharing and to build their skills and capacity. In 2017-18 this has included:

- Peer to peer exchanges – 7 UK learning managers and facilitators developed their skills through observing each other 'in action' in the training room. 2017 also saw CEOs organise their own peer learning activities including shadowing each other and arranging an additional get together of all UK CEOs every 6 months.
- Monthly calls – Learning Managers and CEOs also participated in monthly calls, sharing learning and developing ideas together and staying connected.
- Virtual Action Learning Sets (VALS) – CEOs and learning managers take part in 4 facilitated VALS every year as an additional peer learning tool.
- Short courses – all network staff have free access to the suite of short courses and workshops offered in London to social sector leaders.
- Coaching and support – available to all network staff on an ad hoc basis.

# Sustainability and development

Many of the SSE schools are operating in circumstances not unlike those of the social entrepreneurs and social purpose organisations we support. We know that funding for infrastructure support has declined at a time when the needs of voluntary, community and social enterprise sector organisations have increased. In 2017-18, we have worked collaboratively to consider the sustainability of our own network and our aspirations for the future. We consulted all schools and explored the theme of sustainability and development with the SSE Network Strategic Forum, which meets bi-annually. From this we identified five key strands of activity including a bespoke process of strategic planning with each school, commissioning consultancy support to conduct a small research piece into the social enterprise landscape in key regions in which SSE operates, and developing and leveraging the SSE brand in support of our network. We have also collaborated with schools to host regional roundtables to coincide with the launch of SSE's innovation in grant funding, Match Trading. These have received attendance from key funders, investors, council and LEP representatives and regional mayors.

# Branding and communications

To support schools with branding and communications, we have expanded our pool of case studies and photo bank for shared use, produced video content case studies and produced social media content to support schools with their local and regional campaigns. We also created new videos to help SSE explain its work to diverse audiences: a video about SSE and our work, and an animation explaining how SSE has impact.

In addition, this year we have created press kits to help students promote themselves. For example: creating template press releases for students on our Community Business Trade Up Programme to support their outreach to local press, and updating publicity guidelines to offer greater support for students on the Lloyds Banking Group Social Entrepreneurs Programme.

# Future plans

Our plans for the year ahead include:

- Continuing to bring schools and their staff together to collaborate, learn and develop through a UK residential event and the further roll out of knowledge sharing calls.
- Expanding our bank of case studies and related materials which demonstrate the breadth of our work, and undertake a review of our brand.
- Rolling out a peer to peer model for delivering our Quality Audit for the first time, moving another area of internal practice to reflect our wider approach to learning.
- Continuing work which has arisen from our committed to the Inclusive Culture Pledge, a special initiative by diversity consultancy EW Group. We are working to continuously improve the ways in which we implement our core value of inclusiveness, both within our own practice and in relation to our work with students and fellows.
- Continuing our sustainability and development planning work in collaboration with schools across our network, and use the outcomes to shape future priorities and actions.

# CREATING SOCIAL CHANGE

The support we provide through learning programmes, grant funding and building connections is all designed to help people and organisations make a positive difference to social and environmental change. Making this difference is why we do what we do.

We evaluate our impact and the longer-term outcomes of those we support. This year we have worked with external evaluators to evaluate the first five years of the Lloyds Bank Social Entrepreneurs Programme and the Arts Council Building Resilience programme, findings from both will be reported next year.

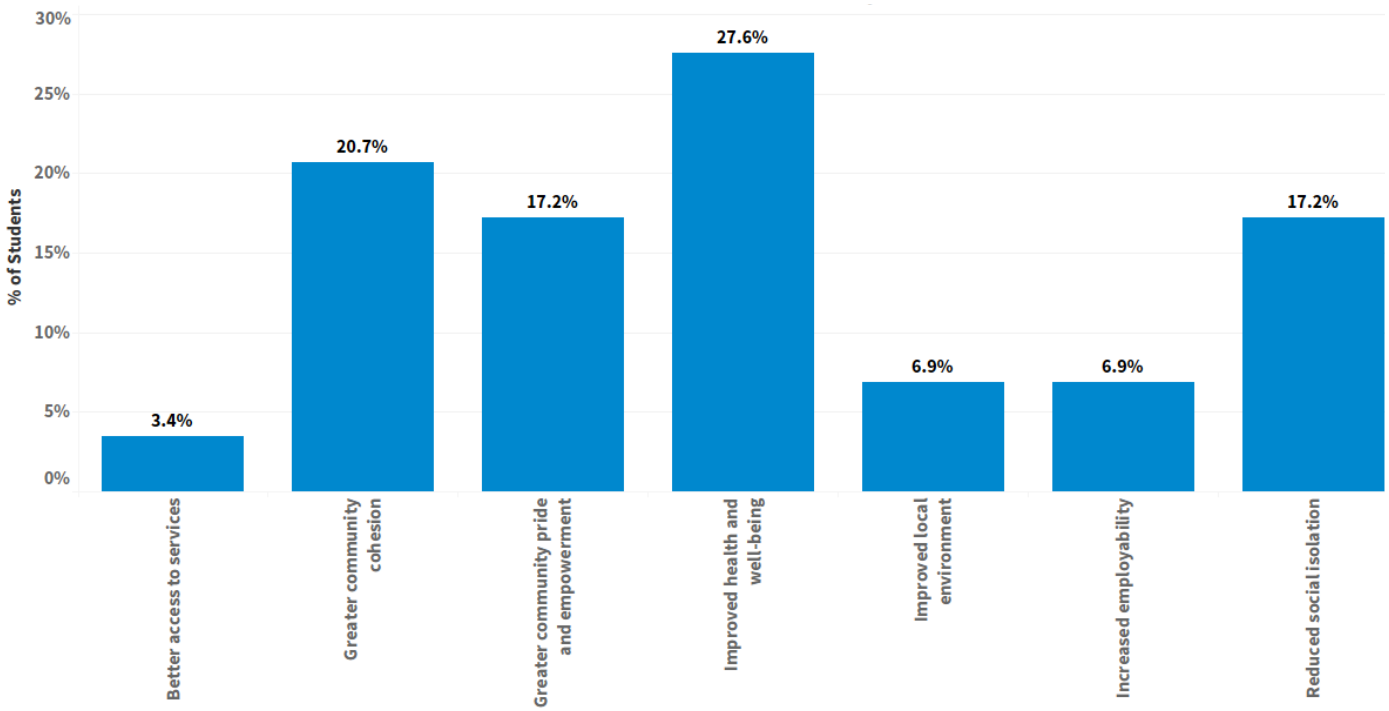
## Impacting a wide range of social and environmental issues

We are needs led. We respond to the in-depth insight and expertise of the social entrepreneurs, intrapreneurs and social sector leaders recruited onto our programmes and help them to achieve the greatest impact possible on the social or environmental problem they have identified.

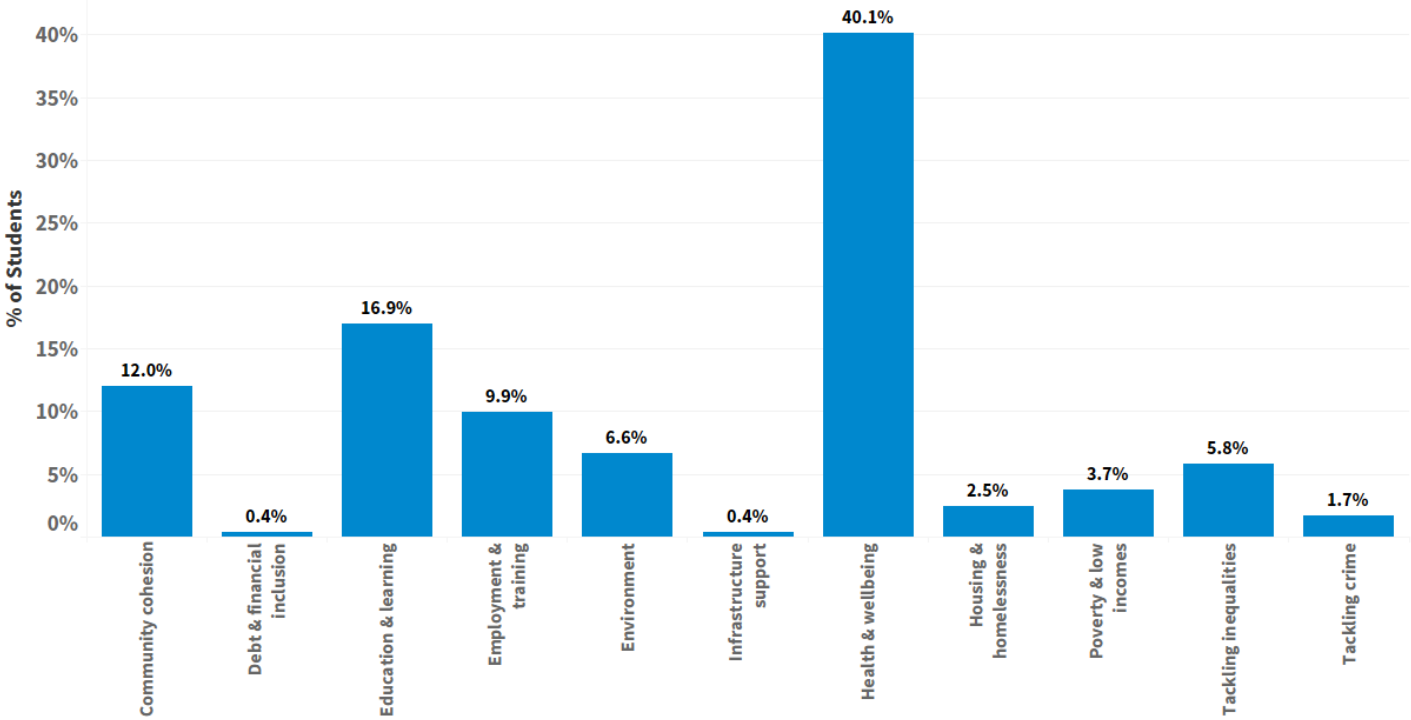
In 2017-18 we have supported people working across a diverse range of issues, from health and wellbeing, social isolation, and poverty, to environmental degradation, community cohesion and homelessness.

We illustrate below the diversity of impact themes addressed by participants enrolling on three of our long duration programmes during 2017-18.

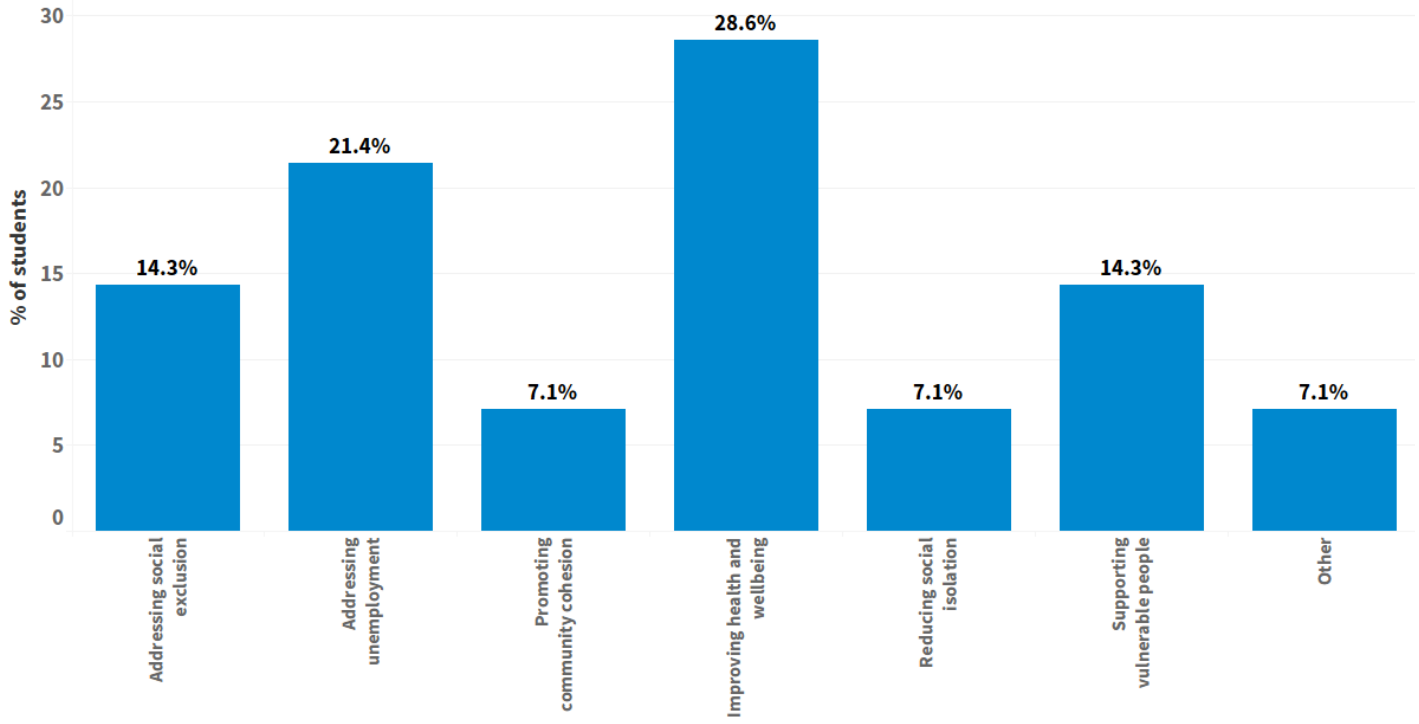
# Impact Themes of Community Business Trade Up Participants




# Impact Themes for Lloyds Bank and Bank of Scotland Social Entrepreneurs Programme



# Impact themes for Fellowship participants 2017/18



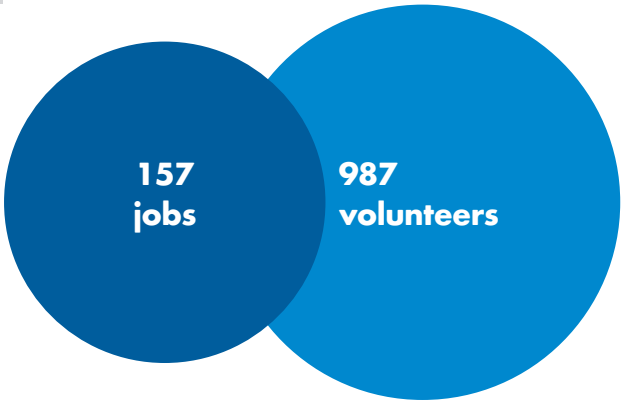
# A ripple effect

It's not just the people we support directly who benefit from the activity of SSE. These people go on to impact the lives of hundreds, if not thousands, of others.

To give an insight into some of these ripple effects we have drawn together findings for three programmes.

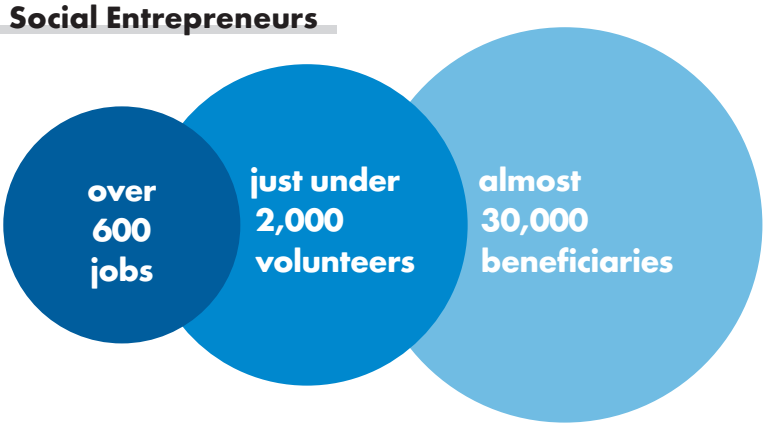
## Community Business Trade Up Programme

30 organisations completed the Community Business Trade Up programme this year. Together, by the end of the programme, these community businesses were supporting:



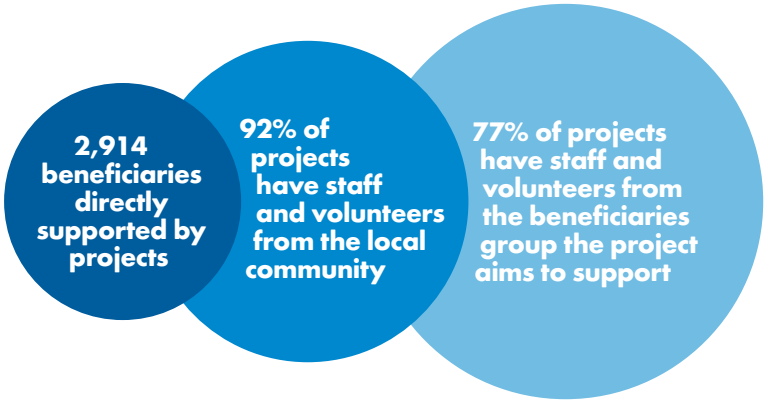

## Lloyds Bank and Bank of Scotland Social Entrepreneurs Programme

268 social entrepreneurs completing the Start Up and Scale Up programmes in October 2017 supported:




## Fellowship Programme

14 social entrepreneurs completing the Fellowship programme supported:



# Simon Short
# Inspiring Intelligence

By employing ex-offenders and using their intimate knowledge of the UK's complex rehabilitation system, Inspiring Intelligence helps rehabilitate men and women as they leave custody and re-enter society. Its founder, Simon Short, was a student at SSE London on the Lloyds Bank Social Entrepreneurs Scale Up Programme 2016-17.

## The beginning

I was 14 the first time I went to prison. I got two and a half years in a secure children's home for 74 burglaries. I was in and out of prison all my life and then two things happened: I was shot and my daughter was born. That was the wake-up call I needed. I began studying sociology and commercial law with the Open University and came out of prison for the last time when I was 26, with a degree.

I left prison with a couple of grand I'd saved, met my business partner, and launched Inspiring Intelligence one month later. I've always been entrepreneurial; the idea was to case-manage ex-offenders through their rehabilitation and get them into professional roles. We'd facilitate their access to housing, education, support for mental health and drugs misuse – the provisions that reduce re-offending. We'd employ ex-offenders to do it because they understood the system better than anyone – and because they're clever and hardworking. I wanted to show probation officers how to do it properly!

## The programme

The Scale Up programme came at the perfect time. We'd proved the concept, received funding and were ready to scale. We wanted to become a self-sustaining social enterprise that wasn't reliant on grants, but on winning contracts, and the programme enabled that.

By being in a group of leaders and winners, and by engaging with them in peer-to-peer dialogue, support, debate and wisdom, I grew the confidence to become the leader I needed to be. I was in my element in that space.

The group helped me let go of a lot of anger, too. I was sexually abused in the care system and then beaten by prison officers years later – so I had a lot of resentment towards the institutions I needed to work with. The group helped me unlock and let go of that anger in a safe space. My business might not have moved forward otherwise.

## The impact

From October 2009 to March 2016 we turned over £450,000 with a social return on investment (SROI) of £17m – not bad for an old villain! That SROI is based on the number of ex-offenders we've helped prevent from returning to prison or going on benefits. But it's SSE who are the real rock stars. They came at the right time – not just for my business, for my life.

inspiringintelligence.org

**"We created a social return on investment of £17m – not bad for an old villain!"**

CASE STUDY

# Providing ongoing support for long-term impact

The impact of our work does not end when the programme ends. That's why we stay in touch with our network of Fellows and learners, providing ongoing opportunities for connection, learning and peer exchange.

This year we have developed and piloted an online community that will enable the students we work with and our wider network of Fellows to connect, share and learn from each other across geographies, themes, and business sectors.

We continue to involve SSE Fellows in the design and delivery of our work, including Fellows 'witness' sessions. In these sessions SSE Fellows share their learning journey and their experiences as social entrepreneurs with those following in their footsteps. Fellows are also frequently involved in referring, recruiting and selecting new students to our programmes.

Where possible we also aim to support Fellows with events, activities and promotional opportunities that help to raise the profile and impact of their organisations. In 2017-18 for example we secured:

- a three-page spread in Woman & Home magazine profiling Cemal Ezel's Change Please, Jo Salter's Where Does It Come From, and Barbara Wilson's Working With Cancer, including a section explaining SSE's work.
- we engaged SSE fellow and learning manager Sheena Leaf to contribute a chapter on SSE's behalf to *Life Beyond Crime*, a book about what prisoners and ex-offenders need to learn, also profiling SSE students' organisations.

During the year we also conducted a Fellows survey, receiving responses from 362 Fellows who had participated in programmes over the last 10 years. 70% of respondents reported remaining in contact with peers from their cohort for advice, support and connections beyond their networks. We are using the results of the survey to shape our future activities and services in response to the needs identified by our community.

# Employees, volunteers and supporters

## Employees

SSE employs an outstanding team of people. During the year this comprised 29 members of staff with a full time equivalent of 26 FTE. The staff team were supported by freelance staff, some of whom are Fellows of SSE, including witnesses, experts and action learning facilitators.

Our recruitment procedures encourage equal opportunities regardless of race, nationality, ethnic origin, region, belief, gender, disability, sexual orientation, age, or employment status. We do not condone or tolerate any form of discrimination in our recruitment or practices.

Our remuneration policy for all staff is based on an open and transparent scale where pay is determined by job grade and a five-point system. The scale was comprehensively reviewed in January 2016. Cost of living pay reviews take place annually and are agreed by the Trustees as part of the budgeting process.

## Volunteers

SSE benefits from the support and dedication of an extensive network of volunteers. During the year they have supported us by helping with our 20th birthday event, by mentoring students, and by speaking on our programmes. For example, we benefited from the support of 50 pro bono witness sessions and 25 pro bono expert sessions during the year. We are hugely grateful for this support.

## Supporters

SSE is fortunate to be supported by several partners and funders, many of whom we have long term relationships with. Our supporters include the government, corporates, trusts, foundations and individual donors. Working with partner organisations helps us to offer social entrepreneurs the support they need to turn their ideas into sustainable enterprises. To all our supporters, thank you for your support throughout the year.

# Fundraising

SSE does not engage in public fundraising and does not use professional fundraisers or commercial participators. SSE nevertheless observes and complies with the relevant fundraising regulations and codes. During the year there was no non-compliance of these regulations and codes and SSE received no complaints relating to its fundraising practice.

# Governance and management

## Governance

SSE is governed by a Board of Trustees who guide policy and strategic decision-making. All of the Trustees are also Directors of the Charitable Company.

Recruitment to the Board is designed to fill any gaps identified by existing Board members throughout the year, as well as being raised prior to the AGM through the skills audit. We seek to ensure that SSE fellows make up a significant proportion of Board membership. The SSE Board has benefitted during this year from the insights of 5 Fellows as Board members, playing an active role in the strategic direction and governance of the organisation as a whole. Many schools across the SSE network also benefit from the insights and experiences of their local Fellows as participants on their respective Boards and steering groups.

During the year the SSE Board undertook a self-assessment in relation to the Charity Governance Code, working through each of the seven principles which make up the Code. As a consequence of the Board discussion, SSE has identified areas for improvement which are being progressed and monitored through an Action Tracker. The Charity Governance Code prompted the Board to challenge themselves and sparked further conversations about how to improve diversity and ensure effectiveness. The Board has adopted the Code as a framework, helping both to recognise existing areas of good practice and support continuous improvement. A review of the Tracker and actions completed will be submitted to the October Board.

SSE currently has two governance sub-groups, The Network Strategic Forum and the Finance, Audit and Risk Committee.

The Network Strategic Forum was created to reflect the voice of the network schools in all aspects of strategy. Forum participants were elected using a “college” system and the Forum has been involved in the development and signing off of network wide strategic objectives.

The Finance, Audit and Risk Committee meets four times a year to review financial performance, internal controls, risk and compliance, as well as provide a framework for accountability and monitor performance of external auditors. The FAR Committee is composed of Trustees, and a co-opted financial expert. The Committee has proved successful in providing an additional level of financial oversight, and in making strategic recommendations to the Board.

## Trustees

| Trustee | First Elected | Biography |
|---|---|---|
| Charlotte Young* | 6/3/2000 | Charlotte has a background in management education and development and worked for many years at the University of Westminster School of Management where she was made Dean. She was head of management development for a major international company and then a founder of YSC, the international corporate psychology practice. Charlotte was awarded the Queen's Award for Enterprise Promotion in April 2009. Charlotte stood down as Chair in April 2017 but remains on the Board. |
| Bert Leslie | 7/1/2002 | Bert retired from a career in petrochemical and power generation worldwide and became a student on the inaugural programme at the SSE in 1998. During his year at SSE he worked with long term unemployed in Newham, East London, using and developing training strategies that enabled them to gain sustainable employment. Bert is an SSE fellow. |
| Luljeta Nuzi* | 28/5/2004 | Luljeta Nuzi is the founder of the Shpresa Programme. The programme has received a number of awards including the Queen's Award for Volunteering in 2004, the London Youth Quality Mark Gold Award for excellence for Youth Work provision and the Marsh Award for the contribution to the fight against modern slavery.<br><br>Luljeta received an Honorary Award as Migrant and Refugee Woman of the year in 2012, the David Crystal Award from the Chartered Institute of Linguists in 2014 in recognition of her work with Shpresa Programme fostering the study of community languages, the Ambassador For Peace from Universal Peace Federation December 2016, the UK Foreign Social Entrepreneur Award from Money Gram in May 2017 and recently she was awarded the Newham Woman of the Year by Newham Council for supporting Albanian speaking women through the Shpresa Programme. |
| Steve Johnson* | 7/9/2007 | Steve is chief executive of AdviceUK. He has worked in the private, public and charity sectors and has over 30 years' experience of charity, social enterprise and community activity at local and national levels. In addition to SSE, he is currently a trustee of several charities and companies including the Access to Justice Foundation, LawWorks, Southern Housing Group, and VCS Insurance Ltd. |
| John Brown | 8/1/2009 | John became managing director of Virgin Books in 1982. In 1987 he set up the magazine company John Brown Publishing. He is currently chairman of Wild Frontiers Ltd, Pippa Small Limited, Camara (UK) and The Watch House restaurant in Cornwall. He is a non-executive director of Punk Publishing, The Oldie, Capitalise, and Eaglemoss. John is the Board's representative at the Network Strategic Forum. |
| Richard Collier-Keywood (Chair) | 21/2/2011 | Richard Collier-Keywood was Global Vice-Chairman of PricewaterhouseCoopers (PwC) from 2012 until February 2017 having previously served as PwC UK Managing Partner since 2008. In his final role, Richard chaired the Global PwC Network Executive Team and was responsible for everything from strategy through operations.<br><br>Since February 2017, Richard has taken on a number of roles including chairing the School for Social Entrepreneurs, chairing Humentum, a global NGO based in Washington DC, chairing New Forest Care, a child care company specialising in looking after some of the most behaviourally challenged children in the UK, Managing Partner of Nala Ventures & Investments LLP and is a senior adviser to DCMS on the Inclusive Economy.<br><br>Richard is a barrister and a fellow of the Institute of Chartered Accountants in England & Wales. |
| Gurnek Bains | 14/9/2011 | Gurnek is the founder and CEO of Global Future and a NED of Intertek Plc. He also has an extensive career as a psychologist and entrepreneur and is the former CEO and Chairman YSC, a global leadership consultancy, which he co-founded in 1990. |

| Trustee | First Elected | Biography |
|---|---|---|
| Naomi Mwasambili | 15/12/2015 | Naomi is the co-founder and CEO of Chanua Health, a Healthcare Innovation Agency specialising in preventative healthcare products and services. Their first digital health product is an online wellbeing booking website called MyGuvu.com. In 2012 she founded Community Therapies and Training Service (CTTS): a social enterprise, training community and workplace champion focussed on preventing and reducing the impact of mental ill health, specifically on Black, Asian and migrant communities. A fellow of School for Social Entrepreneurs she is passionate about all things social business. |
| Mike Phillips* | 15/09/2016 | Mike is a Fellow of the Institute of Chartered Accountants and former senior audit partner at PwC. Since 2011, Mike has focused on working with entrepreneurs and early-stage businesses in a variety of sectors, in either a mentoring or advisory capacity. Mike has been an SSE mentor since 2011 and continues to work with several SSE fellows. |
| Rachel Milne | 03/05/2017 (Resigned 27/04/2018) | Rachel Milne is general manager of Buchan Dial-a-Community Bus (DACB) and DAB Plus c.i.c. DACB is a thriving Community Charity providing affordable, accessible transport in the Aberdeen City and Shire. Rachel is the current chair of the Community Transport Association's Scottish Committee and a trustee of CTA UK. |
| Joel Davis* | 03/05/2017 | Joel Davis is an award-winning social entrepreneur and the founder of Tutors United: a social enterprise that employs university students and provides affordable private tutoring to primary school pupils from low-income and migrant backgrounds. Joel has also been a key advisor in helping UK wide funders develop their offer to engage and support young people in social entrepreneurship. |
| Jill Halford* | Co-opted<br><br>25/08/2015 | Jill is a member of the Institute of Chartered Accountants in England and Wales and a director in the PwC Charities Group. She specialises in charity audit and advisory work, working with some of the UK's top charities. Jill is the treasurer of ACEVO and Seacology. Jill is a co-opted member of the SSE Finance, Audit and Risk Committee. She is not a director of SSE and does not attend full Board meetings. |

*Members of the Finance, Audit and Risk Committee [Steve Johnson stepped down during the year, Joel Davis joined during the year].

## Management

Day-to-day management of the organisation is delegated to the Chief Executive who is supported by the Senior Management Team (SMT). The SMT advises the Board on strategic and significant operational matters. All members of the SMT attend Board meetings.

During the year the Senior Management Team comprised:

| Name | Position |
|---|---|
| Alastair Wilson | Chief Executive |
| Nicola Steuer | Director of London School (to mid-August 2017)/ Managing Director (from mid-August 2017) |
| Philippa Frankl | Director of Network (to mid-August 2017)/ Director of Programmes and Learning (from mid-August 2017) |

The team was joined by Robert Pearce, in the role of Director of Development and External Affairs on 30th April 2018.

# Financial Review

## Financial results

Net Funds have increased by £157,531 over the year. Unrestricted funds increased by £183,274, whilst overall restricted funds decreased by £25,743.

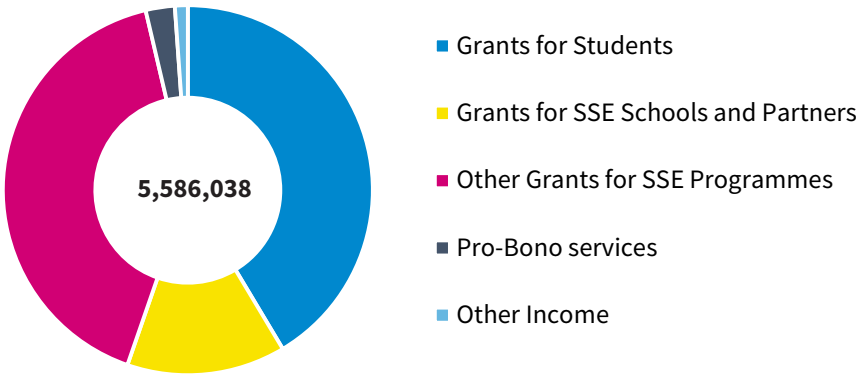
## Income

We are pleased to report our total income increased by £1,684,615 to £5,586,038 in 2018 (2017: £3,901,423). This includes an increase in funds from charitable activities of £1,632,184, largely from new grant funding for our learning programmes. In addition to renewed learning programmes funded by Lloyds Bank plc and Big Lottery, 2018 saw the introduction of new partnerships with Power to Change and Arts Council England.

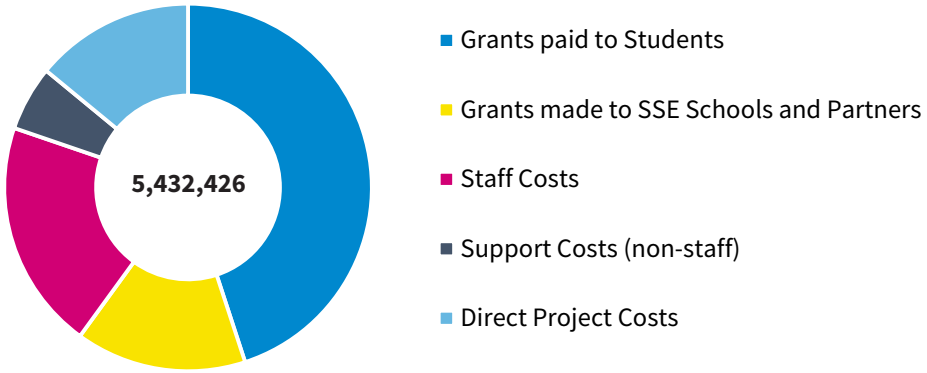
## Expenditure

In line with increased income our expenditure has also increased, by £1,446,553 to £5,432,426 (2017: £3,985,873). Grants awarded to students, community businesses, partners, and SSE Schools increased by almost £1m bringing the total of new grant commitments in the year to £3,259,841 (2017: £2,272,172). Staff costs increased by £157,009 to £1,099,349 (2017: £942,340). This latter increase primarily arose from the effects of an organisational restructure in August 2017 to enable greater effectiveness and long-term sustainability.

**Income analysis 17/18**




**Expenditure analysis 17/18**



## Reserves Policy

The SSE Board conducts an annual review of the general reserves held by the organisation in light of long-term funding plans, key risks identified in the risk review, and forecast operational costs. Currently, SSE aims to hold general reserves representing at least six months of forecast operational expenditure to allow for considered responses to unplanned events and implementation of contingency plans. Based on the budget for 2018-19, the target reserves figure is £1.25m. General Reserves at the year-end were £60k less than the target at £1.19m. The Board has decided the current reserves target should be maintained.

## Investment Policy

SSE Trustees have adopted a three tier investment policy, dividing our assets into short, medium and long-term deposits and investments. In 2017 it was decided to invest long-term in the COIF Charities Investment Fund. In the course of the year £360,000 (2017: nil) was invested in the fund.

Investment performance and new proposals are reviewed at quarterly Finance, Audit and Risk Committee meetings and investment recommendations are made to the full Board as required.

## Risk management

The Trustees are responsible for ensuring effective risk management. Whilst no system of internal control can provide absolute assurance against material misstatement or loss, SSE believes that it has appropriate controls in place to manage the risks to which it is exposed. These include operational systems and procedures, long range plans for the development and stewardship of sources of finance, appropriate staff training, insurance, targeted support for students and investment in new products and services.

SSE maintains a Risk Register that is reviewed annually by the Trustees, and on a more regular basis by the Senior Management Team and Finance Audit and Risk Committee. Risks are considered individually and collectively, and the risks are assigned to a member of the Senior Management Team. The key risks are set out below alongside the key controls to manage them.

| Key Risk | Key Controls |
|---|---|
| Changes in the external financial or regulatory environment adversely impacting the market for social entrepreneurs. | SSE closely reviews external developments and trends and reports on specific areas, where appropriate, to the Board. These factors are also incorporated into our strategic plans and budgets. Where appropriate SSE works with partners in the sector to influence key decision makers. |
| Failure to comply with SSE's operational policies and procedures that may lead to adverse publicity and reputational damage to the SSE brand. | SSE promotes responsible and ethical business practices amongst all its staff and has procedures and processes in place to manage and mitigate risks to its reputation. These include a complaints procedure for students and staff, quality audits and Board or steering group representation at member schools, brand guidelines and individual risk registers for high profile projects. SSE also has a dedicated Communications and PR Team. SSE has agreements and contracts in place with our network of schools to ensure compliance on specific projects. |
| Failure to raise and secure sufficient levels of longer term income. | SSE closely monitors both long and short term sources of funding as part of the planning and budgeting process. In alignment with our strategy, SSE works to diversify our income base by developing products and courses to further meet our students' needs. There is a stewardship programme in place to support existing donors. SSE has a reserves policy, and defined delegated authorities for committing or approving expenditure. |

## Going Concern

The Trustees believe the Charity and the Group have sufficient resources to continue operations for the foreseeable future. Although SSE faces a number of fundraising challenges, a total of 80% of income budgeted for 2018/19 was already confirmed at the beginning of the new financial year and a strong fundraising pipeline has been established.

# Statement of responsibilities of the trustees

The trustees (who are also directors of School for Social Entrepreneurs for the purposes of company law) 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).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and group of the incoming resources and application of resources, including the income and expenditure, of the group 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 UK Accounting Standards and statements of recommended practice 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 charity will continue in operation

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

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

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2018 was 11 (2017:11). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

# Auditor

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The trustees' annual report has been approved by the trustees on 02 October 2018 and signed on their behalf by

Richard Collier-Keywood

Chair

# Independent auditor's report to the members of School for Social Entrepreneurs.

## Opinion

We have audited the financial statements of School for Social Entrepreneurs (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2018 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2018 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
- 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 Auditor's 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

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

- The trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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.

## Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. 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.

## Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report has been prepared in accordance with applicable legal requirements

## Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent charitable company, 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' annual report and from the requirement to prepare a strategic report.

## Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the parent 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.

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

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charites Act 2011 and report in accordance with those Acts.

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees

- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent charitable company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Joanna Pittman (Senior statutory auditor)

09 October 2018

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

# Statement of financial activities

## (incorporating an income and expenditure account)
## For the year ended 31 March 2018

| | | | | 2018 | | | 2017 As restated* |
|---|---|---|---|---|---|---|---|
| | Note | Unrestricted £ | Restricted £ | **Total £** | Unrestricted £ | Restricted £ | Total £ |
| **Income from:** | | | | | | | |
| Donations and legacies | 2 | 174,696 | 50,000 | **224,696** | 179,632 | - | 179,632 |
| Charitable activities | 3 | 419,022 | 4,879,393 | **5,298,415** | 414,793 | 3,251,438 | 3,666,231 |
| Other trading activities | 4 | | | | | | |
| Commercial trading operations | | 54,741 | - | **54,741** | 45,338 | - | 45,338 |
| Investments | | 8,186 | - | **8,186** | 10,222 | - | 10,222 |
| **Total income** | | 656,645 | 4,929,393 | **5,586,038** | 649,985 | 3,251,438 | 3,901,423 |
| **Expenditure on:** | | | | | | | |
| Raising funds | 5 | | | | | | |
| Fundraising | | 29,678 | - | **29,678** | 27,751 | - | 27,751 |
| Commerical trading operations | | 8,049 | - | **8,049** | 8,070 | - | 8,070 |
| Charitable activities | | | | | | | |
| Doing Learning Differently | 5 | 179,793 | 906,483 | **1,086,276** | 162,146 | 782,911 | 945,057 |
| Building a Vibrant Schools Network | 5 | 165,945 | 1,017,977 | **1,183,922** | 384,655 | 629,809 | 1,014,464 |
| Mobilising Enterprising People | 5 | 91,324 | 3,033,177 | **3,124,501** | - | 1,990,531 | 1,990,531 |
| **Total expenditure** | | 474,789 | 4,957,637 | **5,432,426** | 582,622 | 3,403,251 | 3,985,873 |
| **Net income / (expenditure) before net gains on investments** | | 181,856 | (28,244) | **153,612** | 67,363 | (151,813) | (84,450) |
| Net gains on investments | | 3,919 | - | **3,919** | - | - | - |
| **Net income/(expenditure) for the year** | 7 | 185,775 | (28,244) | 157,531 | 67,363 | (151,813) | (84,450) |
| Transfers between funds | | (2,500) | 2,500 | **-** | - | - | - |
| **Net movement in funds** | | 183,275 | (25,744) | 157,531 | 67,363 | (151,813) | (84,450) |
| **Reconciliation of funds:** | | | | | | | |
| Total funds brought forward | | 1,180,876 | 336,411 | **1,517,287** | 1,113,513 | 488,224 | 1,601,737 |
| **Total funds carried forward** | | 1,364,151 | 310,667 | **1,674,818** | 1,180,876 | 336,411 | 1,517,287 |

*Prior year restatements are set out in Note 26.

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 18 to the financial statements.

# Balance sheet

## As at 31 March 2018

| | | Consolidated | | | | Charity | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | **2018** | | 2017 | | **2018** | | 2017 |
| | Note | **£** | **£** | £ | £ | **£** | £ | £ | £ |
| **Fixed assets:** | | | | | | | | | |
| Tangible assets | 12 | | **19,631** | | 6,845 | | **19,631** | | 6,845 |
| Investments | 13 | | **968,788** | | 876,954 | | **968,788** | | 876,954 |
| | | | **988,419** | | 883,799 | - | **988,419** | | 883,799 |
| **Current assets:** | | | | | | | | | |
| Debtors | 14 | **1,204,040** | | 236,845 | | **1,268,709** | | 280,111 | |
| Cash at bank and in hand | 15 | **1,499,198** | | 1,159,618 | | **1,434,529** | | 1,116,352 | |
| | | **2,703,238** | | 1,396,463 | | **2,703,238** - | | 1,396,463 | |
| **Liabilities:** | | | | | | | | | |
| Creditors: amounts falling due within one year | 16 | **2,016,839** | | 762,975 | | **2,016,839** | | 762,975 | |
| **Net current assets / (liabilities)** | | | **686,399** | | 633,488 | | **686,399** | | 633,488 |
| **Total net assets** | | | **1,674,818** | | 1,517,287 | | **1,674,818** | | 1,517,287 |
| **The funds of the charity:** | 18 | | | | | | | | |
| Restricted income funds | | **482,861** | | | 336,411 | **482,861** | | | 336,411 |
| Restricted income funds in deficit | | **(172,194)** | | | - | **(172,194)** | | | - |
| Total restricted funds | | | **310,667** | | 336,411 | | **310,667** | | 336,411 |
| Unrestricted income funds: | | | | | | | | | |
| General funds | | **1,191,957** | | 1,180,876 | | **1,191,957** | | 1,180,876 | |
| Designated funds | | **172,194** | | - | | **172,194** | | - | |
| Total unrestricted funds | | | **1,364,151** | | 1,180,876 | | **1,364,151** | | 1,180,876 |
| **Total charity funds** | | | **1,674,818** | | 1,517,287 | | **1,674,818** | | 1,517,287 |

Approved by the trustees on 2nd October 2018 and signed on their behalf by

Richard Collier-Keywood

Chair

# Consolidated statement of cash flows

## For the year ended 31 March 2018

| | Note | 2018 | | 2017 | |
|---|---|---|---|---|---|
| | | £ | £ | £ | £ |
| **Cash flows from operating activities** | 21 | | | | |
| **Net cash provided by / (used in) operating activities** | | | 444,459 | | 5,040 |
| **Cash flows from investing activities:** | | | | | |
| Dividends, interest and rents from investments | | 8,186 | | 10,222 | |
| Purchase of fixed assets | | (21,231) | | (2,935) | |
| (Increase) in deposit funds | | (91,834) | | (23,649) | |
| **Net cash (used in) investing activities** | | | (104,879) | | (16,362) |
| **Change in cash and cash equivalents in the year** | | | 339,580 | | (11,322) |
| Cash and cash equivalents at the beginning of the year | | | 1,159,618 | | 1,170,940 |
| **Cash and cash equivalents at the end of the year** | | | 1,499,198 | | 1,159,618 |

# Notes to the financial statements

## For the year ended 31 March 2018

**1 Accounting policies**

**a) Statutory information**

The School for Social Entrepreneurs is a charitable company limited by guarantee and is incorporated in England and Wales.

**b) Basis of preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (September 2015) and the Companies Act 2006.

These financial statements consolidate the results of the charitable company and its subsidiary, SSE Social Enterprise, on a line by line basis. Transactions and balances between the charitable company and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two companies are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemption afforded by the Companies Act 2006.

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

The estimated value of annual leave owed at 31 March 2018 was deemed immaterial and no accrual has been made in the accounts.

**c) Public benefit entity**

The charitable company meets the definition of a public benefit entity under FRS 102.

**d) Going concern**

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

**e) Income**

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether ‘capital’ grants or ‘revenue’ grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

**f) Donations of gifts, services and facilities**

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees’ annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

# Notes to the financial statements

## For the year ended 31 March 2018

**1 Accounting policies (continued)**

**g) Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

**h) Fund accounting**

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

**i) Expenditure and irrecoverable VAT**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising or trading purpose.

- Expenditure on charitable activities includes the costs of delivering courses and learning programmes, and other educational activities undertaken to further the purposes of the charity and their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

**j) Grant commitments**

Grants are made to third parties in furtherance of the charity's objects. Grant awards are considered payable when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

**k) Allocation of support costs**

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time of the amount attributable to each activity.

| | |
|---|---|
| Doing Learning Differently | 38% |
| Building a Vibrant Schools Network | 16% |
| Mobilising Enterprising People | 17% |
| Fundraising | 2% |
| Commercial Trading Operations | 1% |
| Support costs | 23% |
| Governance costs | 3% |

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on staff time, of the amount attributable to each activity

| | |
|---|---|
| Doing Learning Differently | 51% |
| Building a Vibrant Schools Network | 22% |
| Mobilising Enterprising People | 24% |
| Fundraising | 2% |
| Commercial Trading Operations | 1% |

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

# Notes to the financial statements

## For the year ended 31 March 2018

**1 Accounting policies (continued)**

**l) Operating leases**

Lease rental charges are charged on a straight line basis over the term of the lease.

**m) Tangible Fixed Assets**

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

| | |
|---|---|
| • Computer equipment | 4 years |
| • Office Furniture | 4 years |

**n) Investments**

Investments in subsidiaries are at cost. Fixed asset investments comprise: a number of bank accounts held in the form of long-term deposits; and, investments in securities. Regarding investments in securities, realised gains and losses in investments are calculated as the difference between sales proceeds and their market value in the year of disposal. Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities on the basis of the market value at the year end.

**o) Debtors**

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

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

Cash at bank and cash 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.

**q) Creditors and provisions**

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

**r) Financial Instruments**

With the exception of the listed investments described above, the charity 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

**s) Pensions**

Contributions payable to employees' pension plans are charged to the Statement of Financial Activities in the period to which they relate.

**t) Critical accounting judgements and sources of estimation uncertainty**

**Significant estimates and judgements**

Key judgements that the charitable company has made which have a significant effect on the accounts include estimating the liability from multi-year grant commitments.

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

# Notes to the financial statements

## For the year ended 31 March 2018

### 2 Income from donations and legacies

| | Unrestricted £ | Restricted £ | **2018 total Total £** | 2017 Total £ |
|---|---|---|---|---|
| Supporter donations and gift aid | 32,546 | 50,000 | **82,546** | 18,123 |
| Pro-bono services | 142,150 | - | **142,150** | 161,509 |
| | 174,696 | 50,000 | **224,696** | 179,632 |

SSE receives a range of services on a pro-bono basis from supporters.

| | **2018 total Total £** | 2017 Total £ |
|---|---|---|
| Analysis of pro-bono services: | | |
| Advice on accounting matters | **-** | 150 |
| Legal services | **31,815** | 51,507 |
| Subsidy on premises rental | **75,000** | 75,000 |
| Support in delivery of SSE programmes and events | **35,335** | 34,852 |
| | **142,150** | 161,509 |

### 3 Income from charitable activities

| | Unrestricted £ | Restricted £ | **2018 Total £** | 2017 Total £ |
|---|---|---|---|---|
| ARM Foundation | - | - | **-** | 10,000 |
| Arts Council England | - | 249,155 | **249,155** | - |
| Barry Marshall | - | 10,000 | **10,000** | 10,000 |
| Big Lottery Fund | - | 1,030,868 | **1,030,868** | 1,571,220 |
| CHK Charities | - | 8,000 | **8,000** | 8,000 |
| Freightliners Farm | - | 4,375 | **4,375** | 3,570 |
| Garfield Weston Foundation | - | 42,000 | **42,000** | - |
| International Centre for Social Franchising | 8,200 | - | **8,200** | - |
| Linklaters | 60,000 | - | **60,000** | 60,000 |
| Lloyds Bank Foundation | - | 127,000 | **127,000** | 127,000 |
| Lloyds Bank Plc | - | 1,392,839 | **1,392,839** | 1,199,515 |
| The Mercers' Company | - | 31,345 | **31,345** | 30,370 |
| Nama Women Advancement Establishment | 52,000 | - | **52,000** | - |
| Power to Change | - | 1,898,047 | **1,898,047** | 121,312 |
| PricewaterhouseCoopers LLP | - | 74,000 | **74,000** | 158,960 |
| Reekimlane Foundation | - | 10,000 | **10,000** | - |
| Royal Sun Alliance | 100,000 | - | **100,000** | 115,000 |
| Southwark Council | - | 1,764 | **1,764** | 6,491 |
| Membership Fees | 128,940 | - | **128,940** | 143,221 |
| Training and Consultancy Fees | 69,882 | - | **69,882** | 101,572 |
| **Total for charitable activities** | 419,022 | 4,879,393 | **5,298,415** | 3,666,231 |

### 4 Income from other trading activities

| | Unrestricted £ | Restricted £ | **2018 Total £** | 2017 Total £ |
|---|---|---|---|---|
| Sponsorship Fees | 51,600 | - | **51,600** | 40,000 |
| Room Rentals | 3,141 | - | **3,141** | 5,338 |
| | 54,741 | - | **54,741** | 45,338 |

# Notes to the financial statements

## For the year ended 31 March 2018

**5 Analysis of expenditure**

| | Raising Funds | | Charitable activities | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Fundraising £ | Commercial Trading Operations £ | Doing Learning Differently £ | Building a Vibrant Schools Network £ | Mobilising Enterprising People £ | Governance £ | Support Costs £ | **2018 Total £** | 2017 Total £ |
| Staff costs (Note 8) | 16,833 | 4,525 | 418,803 | 177,841 | 192,233 | 34,804 | 254,310 | **1,099,349** | 942,340 |
| Grant Payments | - | - | 20,360 | 796,496 | 2,442,985 | - | - | **3,259,841** | 2,272,172 |
| Direct costs | - | - | 327,546 | 73,884 | 342,600 | 18,376 | - | **762,406** | 401,095 |
| Depreciation | - | - | - | - | - | - | 8,445 | **8,445** | 3,326 |
| Freelance Support | - | - | - | - | - | - | 13,565 | **13,565** | 48,669 |
| Human Resources | - | - | - | - | - | - | 24,147 | **24,147** | 16,645 |
| Information technology | - | - | - | - | - | - | 13,570 | **13,570** | 12,634 |
| Legal and Professional | - | 72 | - | - | - | - | 34,515 | **34,587** | 61,632 |
| Office Running Costs | - | - | - | - | - | - | 54,886 | **54,886** | 61,304 |
| Premises | - | - | - | - | - | - | 116,317 | **116,317** | 110,179 |
| Other | - | - | - | - | - | - | 45,313 | **45,313** | 55,877 |
| | 16,833 | 4,597 | 766,709 | 1,048,221 | 2,977,818 | 53,180 | 565,068 | **5,432,426** | 3,985,873 |
| Support costs | 11,740 | 3,155 | 292,078 | 124,029 | 134,066 | - | (565,068) | **-** | - |
| Governance costs | 1,105 | 297 | 27,488 | 11,673 | 12,617 | (53,180) | - | **-** | - |
| **Total expenditure 2018** | **29,678** | **8,049** | **1,086,276** | **1,183,922** | **3,124,501** | **-** | - | **5,432,426** | 3,985,873 |
| Total expenditure 2017 | 27,751 | 8,070 | 945,057 | 1,014,464 | 1,990,531 | - | - | 3,985,873 | |

Of the total expenditure, £474,790 was unrestricted (2017: £582,622) and £4,957,637 was restricted (2017: £3,403,251).

# Notes to the financial statements

## For the year ended 31 March 2018

### 6 Grant making

| | Grants to institutions £ | Grants to Students £ | Non-distributable Costs £ | **2018 £** | 2017 £ |
|---|---|---|---|---|---|
| Doing Learning Differently | 20,360 | - | 1,065,916 | **1,086,276** | - |
| Building a Vibrant Schools Network | 796,496 | - | 387,426 | **1,183,922** | 1,014,464 |
| Mobilising Enterprising People | | 2,442,985 | 681,516 | **3,124,501** | 1,990,531 |
| At the end of the year | 816,856 | 2,442,985 | 2,134,858 | **5,394,699** | 3,004,995 |

Grants were made to individual entrepreneurs and community businesses accepted onto SSE programmes. Please see Appendix for a list of all such grantees in receipt of more than £5,000 in 2018. Grants to other institutions comprised funds directed to partner organisations and members of the SSE Global Schools Network and were used to deliver support and training to SSE entrepreneurs across our programmes.

| Institution: Partners and SSE Network Schools | Number of Grants | Value of Grants |
|---|---|---|
| EW Group | 1 | 2,160 |
| People Make it Work | 1 | 18,200 |
| SSE Cornwall | 3 | 75,524 |
| SSE Dartington | 4 | 76,279 |
| SSE East | 3 | 71,429 |
| SSE Hampshire | 2 | 65,429 |
| SSE India | 1 | 37,558 |
| SSE Midlands | 5 | 118,287 |
| SSE North West | 3 | 159,598 |
| SSE Scotland | 3 | 52,508 |
| SSE Yorkshire and Humber | 4 | 139,884 |
| | 30 | 816,856 |

### 7 Net income for the year

This is stated after charging / (crediting):

| | **2018 £** | 2017 £ |
|---|---|---|
| Depreciation | **8,445** | 3,326 |
| Loss or profit on disposal of fixed assets | **-** | (407) |
| Operating lease rentals: | | |
| Property | **28,512** | 23,784 |
| Auditors' remuneration (excluding VAT): | | |
| Audit | **10,800** | 10,500 |
| Other services | **900** | 1,800 |

### 8 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

| | **2018 £** | 2017 £ |
|---|---|---|
| Salaries and wages | **964,097** | 832,409 |
| Social security costs | **86,458** | 68,428 |
| Employer's contribution to defined contribution pension schemes | **48,794** | 41,503 |
| | **1,099,349** | 942,340 |

# Notes to the financial statements

## For the year ended 31 March 2018

**8 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel (continued)**

The following number of employees received employee benefits greater than £60,000 (excluding employer pension costs and employer's national insurance) during the year:

| | **2018 No.** | 2017 No. |
|---|---|---|
| £60,000 - £69,999 | **1** | - |
| £80,000 - £89,999 | **1** | 1 |

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel, the members of the Senior Management Team, were £241,200 (2017: £230,521).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2017: £nil). No charity trustee received payment for professional or other services supplied to the charity (2017: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £3,616 (2017: £3,446) incurred by 11 (2017: 9) members relating to attendance at meetings of the trustees.

**9 Staff numbers**

The average number of employees (head count based on number of staff employed) during the year was 29 (2017: 26). Full time equivalent (FTE) staff amounted to 25.6 (2017: 22.1).

| | **2018 FTE** | 2017 FTE |
|---|---|---|
| Doing Learning Differently | **10.5** | 9.4 |
| Building a network of sustainable schools | **4.5** | 4.2 |
| Mobilising the experience of enterprising people | **4.5** | 3.4 |
| Support | **5.1** | 4.3 |
| Governance | **0.6** | 0.4 |
| Fundraising | **0.3** | 0.2 |
| Commercial Trading Operations | **0.1** | 0.2 |
| | **25.6** | 22.1 |

**10 Related party transactions**

Richard Collier-Keywood, the Chair of trustees since April 2017, was also Vice Chairman of the PwC Network until his retirement in February 2017. In this prior financial year to the end of March 2017 SSE received: £158,960 in donations from PwC; pro bono support for rent and services amounting to £75,000; pro bono support valued at £150 for accounting advice; and pro bono support for a programme graduation event valued at £2,500. Additionally, in the year to 31 March 2017, SSE paid £18,603 to PwC for rent and service charges as per a written rental agreement.

Charlotte Young, a trustee of SSE, donated £20,000 (2017: £10,000) to SSE. In addition, her husband Donal Young donated £20,000 (2017: nil) to SSE. These funds are restricted to a project towards supporting SSE Fellows after graduation from our programmes.

Alastair Wilson, the CEO of SSE is also a trustee at Tonic Housing. SSE received nil consultancy fees from Tonic in 2018 (2017: £4,920).

Aggregate donations from Related Parties in the year amounted to £40,000 (2017: £10,000).

**11 Taxation**

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

# Notes to the financial statements

## For the year ended 31 March 2018

**12 Tangible fixed assets for group and charity**

| | Office Furniture £ | Computer equipment £ | **Total £** |
|---|---|---|---|
| **Cost** | | | |
| At the start of the year | - | 14,092 | **14,092** |
| Additions in year | 904 | 20,327 | **21,231** |
| Disposals in year | - | (1,543) | **(1,543)** |
| At the end of the year | 904 | 32,876 | **33,780** |
| **Depreciation** | | | |
| At the start of the year | - | 7,247 | **7,247** |
| Charge for the year | 226 | 8,219 | **8,445** |
| Eliminated on disposal | - | (1,543) | **(1,543)** |
| At the end of the year | 226 | 13,923 | **14,149** |
| **Net book value** | | | |
| **At the end of the year** | 678 | 18,953 | **19,631** |
| At the start of the year | - | 6,845 | 6,845 |

All of the above assets are used for charitable purposes.

**13 Investments**
**Charity and Group**

| | **2018 £** | 2017 £ |
|---|---|---|
| At the start of the year | **876,954** | 853,305 |
| Additions at cost | **260,000** | 100,000 |
| Disposals at book/carrying value | **(175,397)** | (80,783) |
| Interest retained in the year | **3,312** | 4,432 |
| Net gains on investments | **3,919** | - |
| Total investments | **968,788** | 876,954 |
| Historic cost at the end of the year | **945,000** | **855,000** |

In 2018 £604,869 (2017: £876,954) of investments were held in UK bank accounts and interest received from these accounts is included in the statement of financial activities. At 31st March 2018 securities valued at £363,919 had been purchased in CCLA Ethical Investment funds.

**14 Debtors and prepayments**

| | **Consolidated** | | **Charity** | |
|---|---|---|---|---|
| | **2018 £** | 2017 £ | **2018 £** | 2017 £ |
| Accrued income in respect of grant commitments made | **1,042,721** | 106,630 | **1,042,721** | 106,630 |
| Other accrued income | **30,000** | 53,690 | **30,000** | 53,690 |
| Prepayments | **29,344** | 53,594 | **29,344** | 53,594 |
| Other debtors | **99,825** | 20,781 | **99,825** | 18,754 |
| Amounts owed by subsidiary | **-** | - | **64,669** | 45,293 |
| Long term loans to Network Schools | **2,150** | 2,150 | **2,150** | 2,150 |
| | **1,204,040** | 236,845 | **1,268,709** | 280,111 |

# Notes to the financial statements

## For the year ended 31 March 2018

### 15 Cash at bank and on hand

| | Consolidated | | Charity | |
|---|---|---|---|---|
| | **2018** | 2017 | **2018** | 2017 |
| | **£** | £ | **£** | £ |
| Main current account | **1,096,595** | 757,374 | **1,031,926** | 714,108 |
| Business high interest deposit account | **402,459** | 402,044 | **402,459** | 402,044 |
| Cash | **144** | 200 | **144** | 200 |
| | **1,499,198** | 1,159,618 | **1,434,529** | 1,116,352 |

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

| | Consolidated | | Charity | |
|---|---|---|---|---|
| | **2018** | 2017 | **2018** | 2017 |
| | **£** | £ | **£** | £ |
| Trade Creditors | **79,135** | 50,778 | **79,135** | 50,778 |
| Accruals | **14,823** | 25,365 | **14,823** | 25,365 |
| Tax and social security | **7,375** | 6,602 | **7,375** | 6,602 |
| Grants payable to SSE Network Schools | **46,558** | 30,074 | **46,558** | 30,074 |
| Grants and fees in advance | **400,094** | 34,173 | **400,094** | 34,173 |
| Grant commitments to students | **1,468,854** | 615,983 | **1,468,854** | 615,983 |
| | **2,016,839** | 762,975 | **2,016,839** | 762,975 |

### 17a Group analysis of net assets between funds (current year)

| | General unrestricted | Designated | Restricted | **Total funds** |
|---|---|---|---|---|
| | £ | £ | £ | **£** |
| Tangible fixed assets | 19,631 | - | - | **19,631** |
| Investments | 968,788 | - | - | **968,788** |
| Net current assets | 203,538 | 172,194 | 310,667 | **686,399** |
| **Net assets at 31 March 2018** | **1,191,957** | **172,194** | **310,667** | **1,674,818** |

### 17b Group analysis of net assets between funds (prior year)

| | General unrestricted | Restricted | **Total funds** |
|---|---|---|---|
| | £ | £ | **£** |
| Tangible fixed assets | 6,845 | - | **6,845** |
| Investments | 876,954 | - | **876,954** |
| Net current assets | 297,077 | 336,411 | **633,488** |
| **Net assets at 31 March 2017** | **1,180,876** | **336,411** | **1,517,287** |

# Notes to the financial statements

## For the year ended 31 March 2018

**18a Movements in funds (current year)**

| | | At 1 April 2017 £ | Income & gains £ | Expenditure & losses £ | Transfers £ | **At 31 March 2018 £** |
|---|---|---|---|---|---|---|
| **a)** | **Restricted funds:** | | | | | |
| | Arts Council England | - | 89,245 | (76,248) | - | **12,997** |
| | Big Lottery Fund | - | 19,576 | (19,576) | - | **-** |
| | Big Lottery Fund (Digitisation) | - | - | (87,900) | 87,900 | **-** |
| | Big Lottery Fund (Sustainability) | - | 108,650 | (78,653) | - | **29,997** |
| | Freightliners Farm | - | 4,375 | (4,375) | - | **-** |
| | Garfield Weston Foundation | - | 42,000 | (24,466) | - | **17,534** |
| | Lloyds Bank Foundation | - | 127,000 | (127,000) | - | **-** |
| | Lloyds Bank Plc: Social Entrepreneurs Programme | 134,703 | 929,256 | (827,286) | 4,500 | **241,173** |
| | Lloyds Bank Plc: Trade Up Programme | 3,565 | - | (3,565) | - | **-** |
| | Lloyds Bank Plc: Additional marketing | - | 25,000 | (11,453) | - | **13,547** |
| | The Mercers' Company | 4,303 | 31,345 | (24,894) | - | **10,754** |
| | Power to Change: Grantee Support Programme | 19,003 | 6,337 | (27,840) | 2,500 | **-** |
| | Power to Change: Community Business Trade Up | 7,293 | 382,999 | (354,821) | - | **35,471** |
| | PricewaterhouseCoopers LLP | 20,270 | 36,000 | (39,089) | - | **17,181** |
| | Southwark Council | - | 1,764 | (1,764) | - | **-** |
| | Fellows Online Programme | - | 50,000 | - | - | **50,000** |
| | Miscellaneous Bursaries | 16,000 | 18,000 | (18,000) | - | **16,000** |
| **b)** | **Grants: on behalf of SSE Students** | | | | | |
| | Arts Council England | - | 125,000 | (120,000) | - | **5,000** |
| | * Big Lottery Fund | 60,508 | 902,642 | (950,444) | (87,900) | **(75,194)** |
| | Constantine, Mark and Margaret | 8,000 | - | - | - | **8,000** |
| | Lloyds Bank Plc: Frontline II | 9,000 | - | - | - | **9,000** |
| | * Lloyds Bank Plc: Social Entrepreneurs Programme | - | 86,000 | (88,500) | (4,500) | **(7,000)** |
| | * Power to Change: Community Business Trade Up | - | 1,200,000 | (1,290,000) | - | **(90,000)** |
| **c)** | **Grants: on behalf of SSE Network Schools and Partners** | | | | | |
| | Arts Council England | - | 34,910 | (34,910) | - | **-** |
| | Lloyds Bank Plc: Grants to Schools | - | 352,583 | (352,583) | - | **-** |
| | Power to Change: Grantee Support Programme | - | 7,684 | (7,684) | - | **-** |
| | Power to Change: Community Business Trade Up | - | 301,027 | (301,027) | - | **-** |
| | PricewaterhouseCoopers LLP | 53,766 | 38,000 | (75,559) | - | **16,207** |
| | Reekimlane Foundation | - | 10,000 | (10,000) | - | **-** |
| | **Total restricted funds** | 336,411 | 4,929,393 | (4,957,637) | 2,500 | **310,667** |
| | **Unrestricted funds:** | | | | | |
| | General reserves | 1,180,876 | 660,564 | (474,789) | (174,694) | **1,191,957** |
| | Designated funds | - | - | - | 172,194 | **172,194** |
| | **Total unrestricted funds** | 1,180,876 | 660,564 | (474,789) | (2,500) | **1,364,151** |
| | **Total funds** | 1,517,287 | 5,589,957 | (5,432,426) | - | **1,674,818** |

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

* Restricted funds in deficit represent the difference between grant commitments made to Match Trading students and the current fundraised amounts towards these grants. Any ultimate shortfall will be met from SSE general reserves. A designated fund of value equal to the current deficits has been created in light of the potential funding shortfall.

# Notes to the financial statements

## For the year ended 31 March 2018

### 18b Movements in funds (prior year)

| | | At 1 April 2016 £ | Income & gains £ | Expenditure & losses £ | Transfers £ | **At 31 March 2017 £** |
|---|---|---|---|---|---|---|
| **a)** | **Restricted funds:** | | | | | |
| | ARM Foundation | - | 10,000 | (10,000) | - | **-** |
| | Big Lottery Fund | - | 25,220 | (25,220) | - | **-** |
| | Constantine, Mark and Margaret | 8,125 | - | (8,125) | - | **-** |
| | Freightliners Farm | - | 3,570 | (3,570) | - | **-** |
| | Lloyds Bank Foundation | - | 127,000 | (127,000) | - | **-** |
| | Lloyds Bank Plc: Frontline II | 12,544 | - | (12,544) | - | **-** |
| | Lloyds Bank Plc: Media training | 6,761 | 4,990 | (11,751) | - | **-** |
| | Lloyds Bank Plc: Social Entrepreneurs Programme | 288,980 | 537,519 | (691,796) | - | **134,703** |
| | Lloyds Bank Plc: Trade Up Programme | 56,712 | - | (53,147) | - | **3,565** |
| | Lloyds Bank Plc: Additional marketing | 836 | 30,449 | (31,285) | - | **-** |
| | The Mercers' Company | 2,943 | 30,370 | (29,010) | - | **4,303** |
| | Power to Change: Grantee Support Programme | - | 44,697 | (25,694) | - | **19,003** |
| | Power to Change: Community Business Trade Up | - | 51,562 | (44,269) | - | **7,293** |
| | PricewaterhouseCoopers LLP | - | 63,688 | (43,418) | - | **20,270** |
| | Royal Sun Alliance | - | 5,000 | (5,000) | - | **-** |
| | Southwark Council | - | 6,491 | (6,491) | - | **-** |
| | SVG Capital | 9,759 | - | (9,759) | - | **-** |
| | Miscellaneous Bursaries | 16,000 | 18,000 | (18,000) | - | **16,000** |
| **b)** | **Grants: on behalf of SSE Students** | | | | | |
| | Big Lottery Fund | 23,619 | 1,546,000 | (1,509,111) | - | **60,508** |
| | Constantine, Mark and Margaret | 8,000 | - | - | - | **8,000** |
| | Lloyds Bank Plc: Frontline II | 9,000 | - | - | - | **9,000** |
| | Lloyds Bank Plc: Social Entrepreneurs Programme | - | 116,000 | (116,000) | - | **-** |
| **c)** | **Grants: on behalf of SSE Network Schools** | | | | | |
| | Lloyds Bank Plc: Media Training | - | 20,561 | (20,561) | - | **-** |
| | Lloyds Bank Plc: Grants to Schools | - | 489,996 | (489,996) | - | **-** |
| | Power to Change: Grantee Support Programme | - | 23,053 | (23,053) | - | **-** |
| | Power to Change: Community Business Trade Up | - | 2,000 | (2,000) | - | **-** |
| | PricewaterhouseCoopers LLP | 44,945 | 95,272 | (86,451) | - | **53,766** |
| | **Total restricted funds** | 488,224 | 3,251,438 | (3,403,251) | - | **336,411** |
| | **Unrestricted funds:** | | | | | |
| | General reserves | 1,113,513 | 649,985 | (582,622) | - | **1,180,876** |
| | **Total unrestricted funds** | 1,113,513 | 649,985 | (582,622) | - | **1,180,876** |
| | **Total funds** | 1,601,737 | 3,901,423 | (3,985,873) | - | **1,517,287** |

# Notes to the financial statements

## For the year ended 31 March 2018

**18c Purposes of restricted funds**

**a) Grants: SSE Charitable activities**

Arts Council England and Garfield Weston Foundation jointly funded SSE to deliver the two year Building Resilience Through Diversity and Entrepreneurship Programme.

Big Lottery Fund provided funds to cover the costs of SSE managing grant distribution to students as part of the Lloyds Banking Group Social Entrepreneurs Programme (see below).

Big Lottery Fund also contributed £87,900 towards an organisation-wide process to upgrade and extend our use of digital systems.

Big Lottery Fund provided funds to assist development of SSE's monitoring, evaluation and research function.

Freightliners Farm has funded tailored workshops focusing on business planning and trading for sustainability.

Lloyds Bank Foundation contributed £127,000 towards the Funder Plus programme of grantee support .

Lloyds Bank plc provided funds to cover the costs of SSE managing grant distribution to students as part of the Lloyds Banking Group Social Entrepreneurs Programme.

Lloyds Bank plc provided funding for our pilot Trade Up programme aimed at promoting the commercial viability of social enterprises.

Lloyds Bank plc provided additional funds in the year towards marketing the Social Entrepreneurs Programme and widening the net for recruitment of participants.

Mercers provided funding towards year 3 of a 3-year programme enabling leaders to sustainably develop and lead their organisations using group and peer learning techniques.

Power to Change - Grantee Support Programme: Power to Change has funded support for its grantees, all community businesses, to receive training and support from SSE in the form of a series of workshops and networking opportunities.

Power to Change - Community Business Trade Up: SSE is working with Power to Change to deliver grants and training to encourage new community businesses to start and enable existing community businesses to grow and become self-sustaining. The programme is designed to support businesses which will promote positive change in communities to address charitable needs.

PricewaterhouseCoopers LLP provided funding for training, support and mentoring of students on the SSE Fellowship Programme and for continuing support and development of the School for Social Entrepreneurs in India.

Southwark Council SEEDS programme provided funding to help a young Southwark resident to enter work.

# Notes to the financial statements

## For the year ended 31 March 2018

**b) Grants: SSE Students**

Grants received and paid payments in respect of student enterprises were:

executed under an agreement with Arts Council England provided for the purposes of building organisational resilience through increased diversity and entrepreneurship.

executed under agreements with Lloyds Banking group and Big Lottery Fund provided for the purposes of providing start up, scale up and trade up grants to support the enterprises of students on the Lloyds Banking Group Social Entrepreneurs Programme.

awarded through the Frontline programme funded by Mark and Margaret Constantine and aimed at helping young people trying to put gang life behind them.

awarded through the Power to Change Community Business Trade up programme.

**c) Grants: SSE Network Schools**

Grants payable to Partners and SSE Network Schools comprised:

funds from Arts Council England to support delivery of the Building Resilience Through Diversity and Entrepreneurship Programme

funds from Lloyds Bank plc which are paid to support operations in SSE schools in England and Wales.

grants made to members of the charity's regional network of schools on the basis of funding agreements with Power to Change.

grants made to members of the charity's regional network of schools to on the basis of funding agreements with PricewaterhouseCoopers. At the year end SSE was holding £16,207 for distribution to SSE India in 2018/19.

# Notes to the financial statements

## For the year ended 31 March 2018

### 19 Trading subsidiary

The charitable company is the sole member of SSE Enterprises Limited, a company registered in England. The subsidiary is used for non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are distributd by a gift aid donation to the charitable company. One Trustee, Bert Leslie, and members of the SSE senior management team, are also directors of the subsidiary. A summary of the results of the subsidiary is shown below:

| | **2018** | 2017 |
|---|---|---|
| | **£** | £ |
| Turnover | **54,741** | 45,347 |
| Cost of sales | **-** | - |
| Gross profit | **54,741** | 45,347 |
| Administration costs | **(5,382)** | (5,137) |
| Net profit | **49,359** | 40,210 |
| Gift aid payment to School for Social Entrepeneurs | **(49,359)** | (40,210) |
| **Surplus / (deficit)** | **-** | - |

Administration costs are charged to SSE and comprise management time and corresponding share of office overheads at cost.

The assets and liabilities of SSE Social Enterprise Ltd consolidated within the balance sheet are:

| | **2018** | 2017 |
|---|---|---|
| | **£** | £ |
| Current assets | **64,669** | 45,293 |
| Current liabilities | **(64,669)** | (45,293) |
| **Net current assets** | **-** | - |
| Capital and reserves | **-** | - |
| Profit and loss accounts | **-** | - |
| **Net assets** | **-** | - |

Included within administrative expenses above is a management charge of £5,382 (2017: £5,137) from the parent entity. Amounts owed to the parent undertaking are shown in note 14.

### 20 Parent Charity

The parent charity's gross income and the results for the year are disclosed as follows:

| | **2018** | 2017 |
|---|---|---|
| | **£** | £ |
| Gross Income | **5,586,038** | 3,916,369 |
| Result for the year | **157,531** | (84,450) |

# Notes to the financial statements

## For the year ended 31 March 2018

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

| | **2018** | 2017 |
|---|---|---|
| | **£** | £ |
| **Net income / (expenditure) for the reporting period (as per the statement of financial activities)** | **157,531** | (84,450) |
| Depreciation charges | **8,445** | 3,326 |
| Dividends, interest and rent from investments | **(8,186)** | (10,222) |
| (Profit)/loss on the disposal of fixed assets | **-** | 407 |
| (Increase)/decrease in debtors | **(967,195)** | 261,547 |
| Increase/(decrease) in creditors | **1,253,864** | (165,568) |
| **Net cash provided by / (used in) operating activities** | **444,459** | 5,040 |

### 22 Contingent assets or liabilities

There were no contingent liabilities at 31 March 2018 (2017: none).

### 23 Operating lease commitments

The group's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

| | Property | |
|---|---|---|
| | **2017** | 2016 |
| | **£** | £ |
| Less than one year | **28,512** | 23,784 |
| One to five years | **83,917** | 112,429 |
| | **112,429** | 136,213 |

### 24 Funds held on behalf of others

In 2018 SSE received £18,894 from Peacetech Lab on behalf of SSE India, towards the Chhattisgarh Social Start-Up Fellowship Programme. It is expected that these funds will be transferred in full to SSE India before 31 March 2019. The statement of financial activities for the group does not include these transactions.

### 25 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

### 26 Prior year restatements

Prior year income and expenditure has been restated to remove an intracompany item of £15,000. This has not impacted on the net result for the prior year. Prior year funds brought forward have also been adjusted to correct a historical misclassification of funds and show £33,496 of funds as unrestricted rather than restricted. This adjustment has had no impact on the net result for the prior year.

# Appendix

**a. Lloyds Bank and Bank of Scotland Social Entrepreneurs Programme**

Lloyds Bank and Bank of Scotland Social Entrepreneurs Programme is a five year (2017-2022) partnership, funded by Lloyds Banking Group and The Big Lottery Fund, co-ordinated nationally by the School for Social Entrepreneurs, and delivered locally by our network of SSE Schools.

This supportive cohort learning programme aims to give social entrepreneurs the best possible chance of success, through access to support and funding.

In 2017/18 the Programme offered tailored one-year action learning programmes to 259 social entrepreneurs at three distinct levels: Start Up, Trade Up and Scale Up. In addition, 5 participants from our 16/17 intake were awarded grants of £6,000 each through the Social Entrepreneur of the Year Awards also co-funded by Lloyds Banking Group and the Big Lottery Fund.

In total, the Programme awarded £1,065,009 in new grants. Withdrawals from this and prior years amounted to £32,024 bringing to total awards figure to £1,032,985.

The 21 organisations with awards greater than £5,000 in the year to 31 March 2018 are as below:

| Project Name | Grant Awarded |
|---|---|
| Altru Drama CIC | 10,000 |
| Bridges Self-Management | 10,000 |
| Cambridge Community Arts | 10,000 |
| Changes UK | 10,000 |
| Charity Lifeline CIC | 10,000 |
| Cheshire Without Abuse | 10,000 |
| Hollywell Housing Trust | 10,000 |
| Medorite Ltd | 10,000 |
| Nature Workshops - Earth Health Ltd | 10,000 |
| Pathway CTM | 10,000 |
| PBS4 | 10,000 |
| Play Association Hammersmith and Fulham | 10,000 |
| Settle | 10,000 |
| SMASHfestUK | 10,000 |
| Spiral Skills CIC | 10,000 |
| Stable Life | 10,000 |
| Talk for Health | 10,000 |
| Thanet Community Transport Association | 10,000 |
| The Living Room Hertfordshire (TLRH) | 10,000 |
| Well Grounded Jobs CIC | 10,000 |
| Altruist Enterprises | 6,000 |
| Battling On CIC | 6,000 |
| Change Please | 6,000 |
| Mapis Project CIC | 6,000 |
| Reform Radio | 6,000 |

**Appendix (Continued)**

**b. Power to Change Community Business Trade Up Programme**

The Community Business Trade Up Programme is run by School for Social Entrepreneurs in partnership with Power to Change and aims to support community businesses across England to boost their capabilities and confidence and help them become viable trading businesses. The development year (April 2017 - March 2018) supported 30 community businesses with a six month learning programme accompanied by a twelve month Match Trading grant of up to £10,000. The rollout year (January 2018 - December 2018), is supporting 99 community businesses with the learning programme and a £10,000 Match Trading grant.

In total £1,290,000 was awarded to 129 community businesses in the year to 31 March 2018.

| Project Name | Grants Awarded |
|---|---|
| 55 East Ltd | £10,000 |
| Artz for All CIC | £10,000 |
| Aspire Ryde | £10,000 |
| Bebeccino Kids Café | £10,000 |
| Bee Urban | £10,000 |
| Bee Wirral | £10,000 |
| Bevendean Community Pub Ltd | £10,000 |
| Birtley Community Association | £10,000 |
| Black Sheep Collective CIC | £10,000 |
| Bosavern Community Enterprises | £10,000 |
| Branch Out MK | £10,000 |
| Brixton People's Kitchen | £10,000 |
| Buzz Lockleaze | £10,000 |
| Caius House | £10,000 |
| Carnforth Swimming Pool | £10,000 |
| Castlehaven Horticultural Hub | £10,000 |
| Cedarwood Trust | £10,000 |
| Centre 63 | £10,000 |
| Chichester Community Development Trust | £10,000 |
| Chill in the Community CIC | £10,000 |
| Church Fenton Community Shop | £10,000 |
| City of Liverpool FC | £10,000 |
| Community Treasure Chest CIC | £10,000 |
| Coventry Priory CIC | £10,000 |
| Creative Computing Club CIC | £10,000 |
| Defiant Sports CIC | £10,000 |
| Do Little Solutions CIC | £10,000 |
| Energise Barnsley | £10,000 |
| Exeter Local Food Ltd (trading as The Real Food Store) | £10,000 |
| Falmouth and Penryn Community Radio (Source FM) | £10,000 |
| FirstBite Community Food Project CIC | £10,000 |
| Flourish | £10,000 |
| Forest of Hearts | £10,000 |
| Forty Hall Community Vineyard | £10,000 |

**Appendix (Continued)**

| | |
|---|---|
| Fox and Goose | £10,000 |
| Friends of Cricklewood Library | £10,000 |
| Friends of Hardie Park | £10,000 |
| Friends of Stretford Public Hall | £10,000 |
| FROG | £10,000 |
| Go Geronimo | £10,000 |
| Go Green Devon | £10,000 |
| Gorsehill Studios Creative Community | £10,000 |
| Grandad's Front Room | £10,000 |
| Green Elephant Cooperative | £10,000 |
| Growing Better CIC | £10,000 |
| Highway Hope | £10,000 |
| Hill Station Community Café | £10,000 |
| Hilsea Lido Pool for the People Trust | £10,000 |
| Hoole Community Centre | £10,000 |
| Hornbeam Centre | £10,000 |
| Horton Community Farm Coop Ltd | £10,000 |
| Hour Community | £10,000 |
| Hulme Community Garden Centre | £10,000 |
| Humantics | £10,000 |
| In Harmony Food Revolution CIC | £10,000 |
| Kennerleigh and District Community Stores | £10,000 |
| Kindlewood CIC | £10,000 |
| Kirkstall Valley Development Trust | £10,000 |
| LALGRA | £10,000 |
| LARC Development Trust | £10,000 |
| Levenshulme Inspire Centre | £10,000 |
| Little Gate Farm | £10,000 |
| Longfield Hall Trust | £10,000 |
| Lordship EcoHub Cooperative | £10,000 |
| Lovebread CIC | £10,000 |
| Lynher River Barge CIC | £10,000 |
| Make Kit Food Ltd | £10,000 |
| Monkey Park | £10,000 |
| N22 Markets | £10,000 |
| Natures Nutrition Wellbeing | £10,000 |
| Neighbourworks CIC | £10,000 |
| New Generation Community Trust (trading as Blackfen Community Library) | £10,000 |
| Newcastle Wood Recycling CIC | £10,000 |
| Nudge Community Builders | £10,000 |
| One Planet (Accrington) | £10,000 |
| Par Bay Community Trust | £10,000 |
| Proper Job Ltd | £10,000 |
| Ramsey Neighbourhood Trust | £10,000 |

**Appendix (Continued)**

| | |
|---|---|
| Red Brick Building | £10,000 |
| Red Tower York CIC | £10,000 |
| Redruth Revival CIC | £10,000 |
| Riverside House | £10,000 |
| Salford Community Centre | £10,000 |
| Scarborough & Ryedale Community Cycling CIC | £10,000 |
| School Farm CSA | £10,000 |
| Scotswood Natural Community Garden | £10,000 |
| Seaside Hub | £10,000 |
| Secklow Sounds CIC | £10,000 |
| Sensoriel CIC | £10,000 |
| Settle Community & Business Hub | £10,000 |
| Shooters Hill School of Arts | £10,000 |
| Southport Contemporary Arts | £10,000 |
| Moorend Development Trust (spACE@Hare Hill House) | £10,000 |
| Spark York CIC | £10,000 |
| Squire Fields Community Centre | £10,000 |
| St Lukes Cares - Dewsbury Road Charity Shop | £10,000 |
| St Michael's Community Centre | £10,000 |
| Stanley Events | £10,000 |
| Station House Community Connections Ltd | £10,000 |
| Stoneham Bakehouse CIC | £10,000 |
| Stroud District Kids Stuff CIC | £10,000 |
| Sutton Hill Community Trust | £10,000 |
| Synergy Creative Community CIC | £10,000 |
| Target Football CIC | £10,000 |
| Teesdale Community Resources | £10,000 |
| The APE Project CIC | £10,000 |
| The Art Station | £10,000 |
| The Bristol Bike Project | £10,000 |
| The Dorothy Parkes Centre | £10,000 |
| The Exchange Creative Community CIC | £10,000 |
| The Feed Enterprises CIC (previously LEAP East CIC) | £10,000 |
| The Green Backyard | £10,000 |
| The London Bike Kitchen | £10,000 |
| The Mercury Margate Hub | £10,000 |
| The Mix Stowmarket | £10,000 |
| The Tunza Centre | £10,000 |
| Three Trees Community Centre | £10,000 |
| Toast Love Coffee | £10,000 |
| Tonic Music | £10,000 |
| Treverbyn Community Hall | £10,000 |
| Vocalise Bristol CIC | £10,000 |
| Wave-Length Social Marketing (Forge Urban Revival) | £10,000 |
| We Rise Limited | £10,000 |

**Appendix (Continued)**

| | |
|---|---|
| We Rise Limited | £10,000 |
| Weeke Community Association | £10,000 |
| West End Community Bakery | £10,000 |
| Wheatfen Forest School CIC | £10,000 |
| Winchester Radio | £10,000 |
| Wyle Coyotes Afterschool Club CIC | £10,000 |
| Zion Community Arts Space | £10,000 |