

**UNITAS**  
**(A company limited by guarantee)**

**UNAUDITED**  
**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2018**

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**UNITAS**  
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 MARCH 2018**

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**Trustees**

Philip Clapp, Joint Chair  
Nicola Lowit, Joint Chair  
Erica Crump

**Company registered number**

06739988

**Charity registered number**

1133286

**Registered office**

King Street House, 15 Upper King Street, Norwich, NR3 1RB

**Chief executive officer**

Martin Stephenson

**Accountants**

Larking Gowen LLP, King Street House, 15 Upper King Street, Norwich, NR3 1RB

**Bankers**

The Co-Operative Bank PLC, PO Box 250, Skelmersdale

**Solicitors**

Bates Wells & Braithwaite LLP, 10 Queen Street Place, London, EC4R 1BE

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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2018**

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The Trustees present their annual report together with the financial statements of the group and the company for the year 1 April 2017 to 31 March 2018. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective 1 January 2015).

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

## **Objectives and Activities**

### **a. Policies and objectives**

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

Its purpose is to help young people access, participate and progress in mainstream education and training, and its objects, as set out in the Memorandum of Association, as amended August 2013, are:

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

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

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

### **b. Activities for achieving objectives**

All activities undertaken by Unitas during the year 2017-2018 have sought to further its charitable purposes for the public benefit. We adopt varied approaches to engaging young people, and seek to support those staff who work to engage young people.

Principal activities during this period have included:

- Summer Arts Colleges for young people at high risk of offending
- TextNow, a reading motivation programme for young people who are struggling and/or reluctant readers
- Launching the Unitas Academy
- Delivery of the Youth Justice Effective Practice Certificate (YJEPC)
- Devising and launching the Foundation Degree in Youth Justice (FDYJ)

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2018**

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- Research and evaluation which informs our continuing activities.

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

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

### **Achievements and performance**

#### **a. Review of activities**

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

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

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

**Unitas Academy** - the Foundation Degree in Youth Justice (FDYJ), validated by the University of Suffolk launched in April 2017 has over 250 participating students. The Youth Justice Effective Practice Certificate (YJEP) has over 2000 students who have successfully completed the YJEP since its launch in 2012.

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

### **Financial review**

#### **a. Going concern**

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

#### **b. Review**

The year saw a small deficit. In line with our strategy there was a significant increase in sales to reduce the reliance on grant funding. There have been further substantial investments in our digital distance learning resources as part of the development of the Academy.

The current financial context is particularly challenging for medium-sized charities such as Unitas. With such a challenging external funding environment charitable trusts are seeing unprecedented demands on their funds making it all the more difficult for fundraising. Our medium-term future will rely on a continuing substantial shift towards income derived from sales augmented by investment funding from charitable trusts and arts agencies.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2018**

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**c. Reserves policy**

Our current level of unrestricted reserves is £411,879 of which £61,499 are regarded as free reserves. Historically we have had a target equating to 6 months' worth of costs, however in light of recent changes the policy is being reviewed by the Trustees to have sufficient unrestricted reserves funds to cover six months' worth of the charity's annual core expenditure (£350,000) and investment funds of £100,000 a year to continue to develop our digital distance learning products. The target is therefore £450,000.

**Structure, governance and management**

**a. Constitution**

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

**b. Method of appointment or election of Trustees**

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

**c. Organisational structure and decision making**

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

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

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

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

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2018**

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**Plans for future periods**

**a. Future developments**

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

Our Summer Arts College programme has three objectives:

- Raising engagement levels still further
- Enhancing the artistic experience for the young people
- Promoting their artistic achievements more widely.

**Trustees' responsibilities statement**

The Trustees (who are also directors of UNITAS for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the Trustees, on

and signed on their behalf by:

  
5/12/18

**Philip Clapp, Joint Chair**

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**UNITAS**  
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**INDEPENDENT EXAMINER'S REPORT  
FOR THE YEAR ENDED 31 MARCH 2018**

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**Independent examiner's report to the Trustees of UNITAS (the 'group')**

I report to the charity Trustees on my examination of the consolidated accounts of the group comprising the UNITAS ('the parent charity') and its subsidiary undertakings for the year ended 31 March 2018.

This report is made solely to the company's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the company's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the parent company and the company's Trustees as a body, for my work or for this report.

**Responsibilities and basis of report**

As the Trustees of the parent company (and its directors for the purposes of company law) you are responsible for the preparation of the consolidated accounts of the group in accordance with the requirements of the Companies Act 2006 ('the 2006 Act') and you have chosen to prepare consolidated accounts for the group. You are satisfied that the accounts of both parent company and the group are not required by either company or charity law to be audited and have chosen instead to have an independent examination.

Having satisfied myself that the consolidated accounts are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the group's accounts carried out under section 152 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 152(5)(b) of the 2011 Act.

An independent examination does not involve gathering all the evidence that would be required in an audit and consequently does not cover all the matters that an auditor considers in giving their opinion on the accounts. The planning and conduct of an audit goes beyond the limited assurance that an independent examination can provide. Consequently I express no opinion as to whether the consolidated accounts present a 'true and fair' view and my report is limited to those specific matters set out in the independent examiner's statement.

**Independent examiner's statement**

Since the parent charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I can confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the parent company and its subsidiaries as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].



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**INDEPENDENT EXAMINER'S REPORT (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2018**

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I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Signed: 

Dated: 13.12.2018

Giles Kerkham FCA DChA

**Larking Gowen LLP**

Chartered Accountants

King Street House  
15 Upper King Street  
Norwich  
NR3 1RB

**UNITAS**  
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**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND  
EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>Income from:</b>					
Charitable activities	2	433,905	345,300	779,205	583,804
Investments	3	1,202	-	1,202	2,118
<b>Total income</b>		<b>435,107</b>	<b>345,300</b>	<b>780,407</b>	<b>585,922</b>
<b>Expenditure on:</b>					
Charitable activities	4,5	441,344	345,300	786,644	575,200
<b>Total expenditure</b>		<b>441,344</b>	<b>345,300</b>	<b>786,644</b>	<b>575,200</b>
<b>Net income / (expenditure) before other recognised gains and losses</b>		<b>(6,237)</b>	<b>-</b>	<b>(6,237)</b>	<b>10,722</b>
<b>Net movement in funds</b>		<b>(6,237)</b>	<b>-</b>	<b>(6,237)</b>	<b>10,722</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		418,116	-	418,116	407,394
<b>Total funds carried forward</b>		<b>411,879</b>	<b>-</b>	<b>411,879</b>	<b>418,116</b>

The notes on pages 12 to 26 form part of these financial statements.

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

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 MARCH 2018**

	Note	£	2018 £	2017 £
<b>Fixed assets</b>				
Intangible assets	8		346,824	253,150
Tangible assets	9		3,456	2,501
			<u>350,280</u>	<u>255,651</u>
<b>Current assets</b>				
Stocks	11	44,511		3,198
Debtors	12	301,846		536,213
Cash at bank and in hand		290,443		86,550
		<u>636,800</u>		<u>625,961</u>
<b>Creditors:</b> amounts falling due within one year	13	(553,601)	(463,496)	
<b>Net current assets</b>			<u>83,199</u>	<u>162,465</u>
<b>Total assets less current liabilities</b>			<u>433,479</u>	<u>418,116</u>
<b>Creditors:</b> amounts falling due after more than one year	14	(21,600)		-
<b>Net assets</b>			<u>411,879</u>	<u>418,116</u>
<b>Charity Funds</b>				
Unrestricted funds	16		411,879	418,116
<b>Total funds</b>			<u>411,879</u>	<u>418,116</u>

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

The Trustees consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act.

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on \_\_\_\_\_ and signed on their behalf, by:

 5/12/18

**Philip Clapp; Joint Chair**

The notes on pages 12 to 26 form part of these financial statements.

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

**COMPANY BALANCE SHEET**  
**AS AT 31 MARCH 2018**

	Note	£	2018 £	£	2017 £
<b>Fixed assets</b>					
Intangible assets	8		346,824		253,150
Tangible assets	9		3,456		2,501
Investments	10		100		100
			<u>350,380</u>		<u>255,751</u>
<b>Current assets</b>					
Stocks	11	978		1,100	
Debtors	12	61,377		117,915	
Cash at bank		289,902		85,761	
			<u>352,257</u>	<u>204,776</u>	
<b>Creditors:</b> amounts falling due within one year	13	(290,758)		(42,411)	
<b>Net current assets</b>			<u>61,499</u>		<u>162,365</u>
<b>Net assets</b>			<u>411,879</u>		<u>418,116</u>
<b>Charity Funds</b>					
Unrestricted funds			<u>411,879</u>		<u>418,116</u>
<b>Total funds</b>			<u>411,879</u>		<u>418,116</u>

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

The Trustees consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act.

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on \_\_\_\_\_ and signed on their behalf, by:

 31/3/18

**Philip Clapp, Joint Chair**

The notes on pages 12 to 26 form part of these financial statements.

**UNITAS**  
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**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2018**

	Note	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	18	<b>360,259</b>	<b>(87,890)</b>
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		<b>(4,120)</b>	<b>(2,127)</b>
Purchase of intangible assets		<b>(152,246)</b>	<b>(154,039)</b>
<b>Net cash used in investing activities</b>		<b>(156,366)</b>	<b>(156,166)</b>
<b>Change in cash and cash equivalents in the year</b>		<b>203,893</b>	<b>(244,056)</b>
Cash and cash equivalents brought forward		<b>86,550</b>	<b>330,606</b>
<b>Cash and cash equivalents carried forward</b>	19	<b>290,443</b>	<b>86,550</b>

The notes on pages 12 to 26 form part of these financial statements.

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**UNITAS**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2018**

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**1. Accounting policies**

**1.1 Basis of preparation of financial statements**

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) and the Companies Act 2006.

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

**1.2 Company status**

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

**1.3 Fund accounting**

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

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

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

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2018**

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**1. Accounting policies (continued)**

**1.4 Income**

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

**Recognition policies for contracts**

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

Foundation Degree: 15% of income recognised at registration, 85% split over the 26 months of the course.

Income from charitable activities includes income received under contract and grants. Contract income is deferred when income is received in advance of the delivery of the service to which the income related. Grant income is deferred only when there are conditions to preventing entitlement. Bank interest received is included on a receipt basis.

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

**1.5 Expenditure**

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

Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out at Headquarters. These have been allocated between the Charity and it's wholly owned subsidiary, Unitas Academy Limited.

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

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**1. Accounting policies (continued)**

**1.6 Basis of consolidation**

The financial statements consolidate the accounts of UNITAS and all of its subsidiary undertakings ('subsidiary').

UNITAS has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Income and expenditure account.

The net deficit for the year dealt with in the accounts of the company was £6,237 (2017 surplus - £10,722).

**1.7 Intangible fixed assets and amortisation**

Intangible assets costing £100 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

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

Amortisation is provided at the following rates:

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

**1.8 Tangible fixed assets and depreciation**

All assets costing more than £100 are capitalised.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Office equipment	-	33% straight line
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**1.9 Investments**

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

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



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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2018**

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**1. Accounting policies (continued)**

**1.10 Interest receivable**

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

**1.11 Stocks**

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

**1.12 Debtors**

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

**1.13 Cash at Bank and in hand**

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

**1.14 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation.

**1.15 Financial instruments**

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

**1.16 Taxation**

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

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

**1. Accounting policies (continued)**

**1.17 Pensions**

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

**1.18 Critical accounting estimates and areas of judgment**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The items in the financial statements where these judgements and estimates have been made include:

The annual amortisation/depreciation charge for intangible and tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual lives are reassessed annually. See notes 8 and 9 for the carrying amounts of assets, and notes 1.7 and 1.8 for the useful economic lives for each class of asset.

**2. Income from charitable activities**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
ACE - Summer Arts College	-	300,000	300,000	252,250
YJEPC (Unitas)	-	-	-	38,547
Text Now	7,500	-	7,500	13,500
Sales of Product (Unitas Academy)	96	-	96	-
Publications	4,404	-	4,404	-
Engage Cymru	-	-	-	2,392
ACE - Research	-	45,300	45,300	81,540
YJEPC (Unitas Academy)	100,642	-	100,642	75,595
ITC Fee Income (Unitas Academy)	9,000	-	9,000	-
Foundation Degree (Unitas Academy)	312,263	-	312,263	119,980
	<b>433,905</b>	<b>345,300</b>	<b>779,205</b>	<b>583,804</b>
<i>Total 2017</i>	<i>247,622</i>	<i>336,182</i>	<i>583,804</i>	

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**3. Investment income**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest received	1,202	-	1,202	2,118
	<u>1,202</u>	<u>-</u>	<u>1,202</u>	<u>2,118</u>
<i>Total 2017</i>	<u>2,118</u>	<u>-</u>	<u>2,118</u>	

**4. Direct costs**

	Activities £	Total 2018 £	Total 2017 £
Summer Arts College	137,885	137,885	152,280
YJEPC (Unitas)	-	-	31,846
Research	39,413	39,413	30,556
Text Now	4,577	4,577	6,203
YJEPC (Unitas Academy)	51,116	51,116	26,554
Foundation Degree (Unitas Academy)	178,695	178,695	2,818
	<u>411,686</u>	<u>411,686</u>	<u>250,257</u>
<i>Total 2017</i>	<u>250,257</u>	<u>250,257</u>	

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**5. Support costs**

	Activities £	Total 2018 £	Total 2017 £
Telephone	4,603	4,603	3,257
Equipment expenses	360	360	253
Insurance	2,544	2,544	2,523
Property rent	17,715	17,715	17,352
Computer costs	7,135	7,135	11,441
Interest payable	10	10	50
Sundry expenses	5,015	5,015	7,737
Amortisation	58,572	58,572	19,894
Independent examiner's fees	3,815	3,815	3,865
Unitas Academy administration	20,333	20,333	23,556
Irrecoverable VAT	-	-	11,986
Meetings and travel	13,553	13,553	13,872
Accountancy fees	3,065	3,065	5,156
Marketing	-	-	1,854
Legal and professional fees	2,532	2,532	1,853
Wages and salaries	200,700	200,700	164,810
National insurance	16,792	16,792	16,442
Pension cost	15,049	15,049	16,011
Depreciation	3,165	3,165	3,031
	<u>374,958</u>	<u>374,958</u>	<u>324,943</u>
<i>Total 2017</i>	<u>324,943</u>	<u>324,943</u>	

In 2017, of the charitable activities expenditure, £235,153 was to unrestricted funds and £336,182 was to restricted funds.

In 2017, of the expenditure on governance, £3,865 was to unrestricted funds and £NIL was to restricted funds.

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**6. Net income/(expenditure)**

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the charitable group	3,165	3,031
Amortisation of intangible fixed assets	58,572	19,894
Independent Examiners' remuneration	3,815	2,575
Independent Examiners' other services	2,000	1,290
Pension costs	15,049	16,011
	<u>          </u>	<u>          </u>

During the year, no Trustees received any remuneration (2017 - £NIL).

During the year, no Trustees received any benefits in kind (2017 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2017 - £NIL).

**7. Staff costs**

	2018 £	2017 £
Wages and salaries	193,800	164,810
Social security costs	16,792	16,442
Other pension costs	15,049	16,011
Other staff costs	6,900	-
	<u>          </u>	<u>          </u>
Total	232,541	197,263
	<u>          </u>	<u>          </u>

Within the above costs, £232,541 (2017: £197,263) relates to general wages expenditure, and £59,993 (2017: £40,000) relates to capitalised wages costs.

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

	2018 £	2017 £
	5	4
	<u>          </u>	<u>          </u>

The number of higher paid employees was:

	2018 £	2017 £
In the band £90,001 - £100,000	1	1
	<u>          </u>	<u>          </u>

Key management personnel consist of the Trustees and the Chief Executive's. Emoluments (including employer's national insurance and pension contributions) paid to members of the key management personnel totalled £115,534.

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**8. Intangible fixed assets**

<b>Group and Company</b>	<b>Book Publishing Rights £</b>	<b>Training Materials £</b>	<b>Website £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 April 2017	11,410	163,913	100,041	275,364
Additions	-	141,746	10,500	152,246
At 31 March 2018	11,410	305,659	110,541	427,610
<b>Amortisation</b>				
At 1 April 2017	2,282	14,930	5,002	22,214
Charge for the year	2,282	35,145	21,145	58,572
At 31 March 2018	4,564	50,075	26,147	80,786
<b>Carrying amount</b>				
At 31 March 2018	6,846	255,584	84,394	346,824
At 31 March 2017	9,128	148,983	95,039	253,150

**9. Tangible fixed assets**

<b>Group and Company</b>	<b>Office equipment £</b>
<b>Cost</b>	
At 1 April 2017	22,663
Additions	4,120
At 31 March 2018	26,783
<b>Depreciation</b>	
At 1 April 2017	20,162
Charge for the year	3,165
At 31 March 2018	23,327
<b>Net book value</b>	
At 31 March 2018	3,456
At 31 March 2017	2,501

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**10. Fixed asset investments**

<b>Company</b>	<b>Shares in group undertakings £</b>
<b>Market value</b>	
At 1 April 2017 and 31 March 2018	<b>100</b>

**11. Stocks**

	<b>Group</b>	<b>Company</b>
	<b>2018 £</b>	<b>2017 £</b>
Finished goods and goods for resale	<b>44,511</b>	<b>3,198</b>

**12. Debtors**

	<b>Group</b>	<b>Company</b>
	<b>2018 £</b>	<b>2017 £</b>
Trade debtors	<b>137,016</b>	<b>503,488</b>
Amounts owed by group undertakings	<b>-</b>	<b>-</b>
Other debtors	<b>134,023</b>	<b>27,180</b>
Prepayments and accrued income	<b>21,710</b>	<b>3,394</b>
Tax recoverable	<b>9,097</b>	<b>2,151</b>
	<b>301,846</b>	<b>536,213</b>

**13. Creditors: Amounts falling due within one year**

	<b>Group</b>	<b>Company</b>
	<b>2018 £</b>	<b>2017 £</b>
Trade creditors	<b>98,001</b>	<b>69,682</b>
Amounts owed to group undertakings	<b>-</b>	<b>-</b>
Other taxation and social security	<b>6,047</b>	<b>88,039</b>
Accruals and deferred income	<b>449,553</b>	<b>305,775</b>
	<b>553,601</b>	<b>463,496</b>

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**13. Creditors: Amounts falling due within one year (continued)**

	<u>Group</u>		<u>Company</u>	
	2018 £	2017 £	2018 £	2017 £
<b>Deferred income</b>				
Deferred income at 1 April 2017	293,380	39,468	-	39,468
Resources deferred during the year	441,637	293,380	-	-
Amounts released from previous years	(293,380)	(39,468)	-	(39,468)
Deferred income at 31 March 2018	<u>441,637</u>	<u>293,380</u>	<u>-</u>	<u>-</u>

**14. Creditors: Amounts falling due after more than one year**

	<u>Group</u>		<u>Company</u>	
	2018 £	2017 £	2018 £	2017 £
Trade creditors	<u>21,600</u>	<u>-</u>	<u>-</u>	<u>-</u>

**15. Financial instruments**

	2018 £	2017 £
Financial assets measured at amortised cost	<u>271,037</u>	<u>530,668</u>
Financial liabilities measured at amortised cost	<u>127,515</u>	<u>82,077</u>

Financial assets measured at amortised cost comprise Debtors.

Financial liabilities measured at amortised cost comprise Creditors.



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**NOTES TO THE FINANCIAL STATEMENTS  
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**16. Statement of funds**

**Statement of funds - current year**

	Balance at 1 April 2017 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2018 £
<b>Designated funds</b>					
Fixed asset fund	255,651	-	(61,737)	156,366	350,280
<b>General funds</b>					
General Funds	162,465	435,107	(379,607)	(156,366)	61,599
Total Unrestricted funds	418,116	435,107	(441,344)	-	411,879
<b>Restricted funds</b>					
Arts Council England - Summer Arts College	-	300,000	(300,000)	-	-
Arts Council England - Research	-	45,300	(45,300)	-	-
	-	345,300	(345,300)	-	-
Total of funds	418,116	780,407	(786,644)	-	411,879

**Statement of funds - prior year**

	Balance at 1 April 2016 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2017 £
<b>Designated funds</b>					
Fixed asset fund	194,042	-	(21,742)	83,351	255,651
<b>General funds</b>					
General Funds	213,352	249,740	(217,276)	(83,351)	162,465
Total Unrestricted funds	407,394	249,740	(239,018)	-	418,116

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**NOTES TO THE FINANCIAL STATEMENTS  
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**16. Statement of funds (continued)**

**Restricted funds**

Arts Council England - Summer Arts College	-	252,250	(252,250)	-	-
Arts Council England - Research	-	81,540	(81,540)	-	-
Engage Cymru	-	2,392	(2,392)	-	-
	-	336,182	(336,182)	-	-
Total of funds	407,394	585,922	(575,200)	-	418,116

**17. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
Intangible fixed assets	346,824	-	346,824
Tangible fixed assets	3,456	-	3,456
Current assets	636,798	-	636,798
Creditors due within one year	(553,599)	-	(553,599)
Creditors due in more than one year	(21,600)	-	(21,600)
	411,879	-	411,879

**Analysis of net assets between funds - prior year**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £
Intangible fixed assets	253,150	-	253,150
Tangible fixed assets	2,501	-	2,501
Current assets	625,961	-	625,961
Creditors due within one year	(463,496)	-	(463,496)
	418,116	-	418,116

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

	<b>2018</b>	<b>Group</b>
	<b>£</b>	<b>2017</b>
		<b>£</b>
Net (expenditure)/income for the year (as per Statement of Financial Activities)	<b>(6,237)</b>	10,722
<b>Adjustment for:</b>		
Depreciation charges	<b>61,737</b>	22,925
(Increase)/decrease in stocks	<b>(41,313)</b>	1,426
Decrease/(increase) in debtors	<b>241,315</b>	(447,890)
Increase in creditors	<b>111,703</b>	321,178
Tax movement	<b>(6,946)</b>	3,749
<b>Net cash provided by/(used in) operating activities</b>	<b>360,259</b>	(87,890)

**19. Analysis of cash and cash equivalents**

	<b>2018</b>	<b>Group</b>
	<b>£</b>	<b>2017</b>
		<b>£</b>
Cash in hand	<b>290,443</b>	86,550
<b>Total</b>	<b>290,443</b>	86,550

**20. Pension commitments**

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £15,049 (2017 - £16,011). No contributions were payable to the fund at the balance sheet date.

**21. Related party transactions**

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

The transfer under Gift Aid of the the trading profits of Unitas Academy Limited to the charity of £Nil (2017 - £40,336).

A management charge was raised by the Charity to Unitas Academy Limited for £169,634 to cover support costs (2017 - £100,286).

Erica Crump, a trustee of Unitas, is a partner at Bates Wells & Braithwaite London LLP. Fees of £1,796 were charged in the year for legal and professional services. £900 was outstanding at the year end and is included in creditors.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**22. Principal subsidiaries**

**Unitas Academy Ltd**

Subsidiary name	Unitas Academy Ltd
Company registration number	10412927
Basis of control	Ultimate parent company
 Total assets as at 31 March 2018	 £ 512,400
Total liabilities as at 31 March 2018	£ (512,300)
Total equity as at 31 March 2018	£ 100
 Turnover for the year ended 31 March 2018	 £ 422,001
Expenditure for the year ended 31 March 2018	£ (422,001)
Result for the year ended 31 March 2018	£ -