

**ASHOKA UK**  
**TRUSTEES' REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

Charity registration number: 1113246  
Company registration number: 04903565

# **Ashoka UK**

## **Trustees' Report and Accounts**

**Year Ended 31 August 2018**

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## **Ashoka UK**

### **Charity Reference and Administrative Details**

**Year Ended 31 August 2018**

<b>Charity registration number</b>	1113246
<b>Company registration number</b>	04903565
<b>Country Director</b>	Philippa Wheaton Elena Gibson
<b>Registered office</b>	15 Old Ford Road Bethnal Green London E2 9PJ
<b>Auditor</b>	PKF Littlejohn LLP 1 Westferry Circus London E14 4HD
<b>Solicitor</b>	Latham & Watkins (London) LLP 99 Bishopsgate London EC2M 3XF
<b>Bankers</b>	Lloyds Bank 399 Oxford Circus London W1C 2BU

## **Ashoka UK**

### **Trustees' Annual Report (Including Directors Report and Strategic Report)**

#### **Year Ended 31 August 2018**

The Trustees present their report and the audited financial statements of Ashoka UK ('the Charity') for the year ended 31 August 2018.

The report and financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the Charity's governing document, the Charities Act 2011, the Companies Act 2006 and the Statement of Recommended Practice "Accounting and Reporting by Charities" ("FRS 102 SORP") (effective 1 January 2015).

#### **Trustees of the Charity**

The Trustees of the Charity are also the Directors for the purposes of company law. The Trustees who have served during the year and since the year end were as follows:

Konstanze Frischen  
Edward Fidoie  
Fabienne Serfaty  
Shauneen Lambe  
Amy Neugebauer (Appointed 28 June 2018)  
Lucy Perkins (Appointed 28 June 2018)  
Mark Cheng (Resigned 14 June 2018)

#### **Objectives and activities**

Ashoka UK works to create an 'Everyone a Changemaker' World. For over 10 years Ashoka UK has been building a network of the UK's leading social innovators. Ashoka's network begins with social entrepreneurs, selecting Ashoka Fellows who are creating systemic change in areas from climate change to housing; education to healthcare. But we believe that social innovation extends beyond the social enterprise or charity sector, so we are also building a network of people leading change in other fields as well – particularly business and education – and we work to amplify their impact so that the impact of each collective is greater than the sum of the individual parts.

In setting the objectives and planning the activities of the Charity, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit. The objects for which the Charity is established, as set out in the Memorandum and Articles of Association, are to support and promote such one or more exclusively charitable purposes anywhere in the world as the Charity shall determine. "Charitable" shall have the meaning assigned to it by the law for the time being in force in England and Wales. "Charitable purposes" shall mean such purposes (whether effected or to be effected) as shall for the time being be exclusively charitable purposes.

Ashoka UK is a subsidiary of Ashoka, a global organisation of leading social entrepreneurs with headquarters in the US organisation with 501 (c) status and registered address of 1700 North Moore Street, Suite 2000, Arlington, VA, 1939, USA, from now on referred to as "Ashoka Global". Ashoka's global work is built around unlocking the impact of social entrepreneurs, who possess the vision, creativity and extraordinary determination of business entrepreneurs, but devote their talents to introducing new solutions to societal problems. By providing a range of support and finances, Ashoka supports social entrepreneurs at a critical stage in the development of their ideas and work, helping them to achieve greater impact and make a real difference in the societies in which they operate and the world at large.

The ways in which Ashoka UK fulfils its objectives are by:

- Selecting and supporting social entrepreneurs as Ashoka Fellows (at the end of August 2018, 44 social entrepreneurs had been elected as Ashoka Fellows in the UK, 14 had been elected in the Republic of Ireland, and 2 had been elected in Northern Ireland, therefore being jointly supported by both offices);
- Supporting change leaders from other fields (at the end of August 2018, 30 Changemaker Schools in the UK had been selected to be part of a network of education change leaders, and nearly 40 Ashoka Support Network members - individual philanthropists and business leaders – had joined a network of peers);
- Engaging businesses and sector organisations through our partnership strategy; and
- Raising funds for Ashoka UK to support the main charitable activities.

## **Ashoka UK**

### **Trustees' Annual Report (Including Directors Report and Strategic Report)**

**Year Ended 31 August 2018**

#### **Strategic Report**

##### **Structure, governance and management**

Ashoka UK is a Charity (registered number 1113246) and a Company limited by guarantee with no share capital (registered number 04903565). The governing document is the Memorandum and Articles of Association. The Company was incorporated in 2003 and commenced activity in March 2006.

Under the Memorandum and Articles of Association, the Charity has the power to invest the monies of the Company not immediately required for its purpose in such investments as its board of Trustees (who are also the Company's directors) consider appropriate, subject to any conditions or consents imposed by law.

The Trustees are required to monitor the affairs and the general business of the Charity and meet as required. Trustees are selected for their expertise in areas relevant to the work of the Charity. New trustees are inducted with a history of the Charity and its aims and relevant financial and administrative information.

Remuneration for key management personnel is set in accordance to our internal level and salary framework, which provides salary brackets for each of the internal levels. This framework was developed by an external party and benchmarked against the UK charity sector.

##### **Achievements and performance**

The Charity has three main charitable activities.

##### **Identifying and supporting social entrepreneurs**

- a) Finding leading social entrepreneurs to join our network as "Ashoka Fellows".
- b) Supporting Ashoka Fellows in key strategic needs by connecting them with different partners, and helping them develop and achieve their systems change strategy.

##### **Supporting young people to be changemakers**

- a) Working to support leaders in the education space (schools, policy making bodies, non-profit organisations, apex bodies etc.), including (but not limited to) 30 schools who were selected as "Changemaker Schools".

##### **Supporting the ecosystem of social entrepreneurship**

- a) Running programmes with partners working in the social entrepreneurship sector, in order to support their learning on topical issues such as systems change and social finance.
- b) Developing knowledge assets that can be shared with partners and others working in the sector to support the continued improvement of those working on social issues and supporting social innovation.
- c) Building a community of individuals committed to creating social change, coming together for peer learning and mutual support (including Ashoka Fellows and Ashoka Support Network members).

In FY2018, the Charity elected 5 new Ashoka Fellows and continued to work with the existing community, comprising of 60 Ashoka Fellows (across UK and Ireland), 30 Changemaker Schools and nearly 40 individuals in the Ashoka Support Network. The Charity also worked with several corporate and foundation partners to support the ecosystem of social entrepreneurship in FY2018. One of our highlights was working with the Big Lottery Fund on the topic of systems change – both inside the Fund and with several of their grantees.

**Trustees' Annual Report (Including Directors Report and Strategic Report)**

**Year Ended 31 August 2018**

**Financial review**

During the financial year 2018, £1,190,825 was received by the Charity in donations (£944,892 of this funding being unrestricted funding and £245,933 being restricted funding). The total expenditure for financial year 2018 was £1,168,281. The Charity ended the year with a surplus of £22,544.

The funding sources for financial year 2018 are typical of the Charity's annual income mix. The principal funding sources fall into three categories:

1. **Individual donations:** These are all categorised as unrestricted funding. The majority of these donations came from a group of individuals, "Ashoka Support Network members", who make regular annual donations. They normally make a pledge to donate £8,000 per year, with an initial commitment of three years. Besides financial support, the Ashoka Support Network members also provide support to the Ashoka Fellows (who are the social entrepreneurs that Ashoka works with), through professional advice and coaching. The rest of the individual donations came from once off donations from other individuals
2. **Corporate partnerships:** This is a mix of restricted and unrestricted funds. In FY2018 the majority of this funding was used to support the ecosystem of social entrepreneurs, and to foster social innovation and co-creation with social entrepreneurs.
3. **Foundations:** This is a mix of restricted and unrestricted funds. In financial year 2018 the majority of this funding was used to support the wider UK ecosystem of social entrepreneurs and supporting young people to be changemakers.

There are two factors that have the potential to impact future financial performance, which are being monitored by the Trustees and mitigation plans are in place.

1. **Short term:** In FY2018, the Charity took over the operations of the Ashoka Irish office (the "merger" between the UK and Irish offices). The Charity established a branch in the Republic of Ireland, and offered employment contracts to the staff who worked at the Irish office. The Board had performed a risk assessment on the "merger", considering risk factors including financial impact to the Charity, and had put in place controls to mitigate these risks. At the time of writing, after over a year of operation, the Trustees are satisfied to conclude that taking on the Irish office does not bring on material financial risks.
2. **Longer term:** The situation around "Brexit" continues to be monitored as it has potential to impact the Charity's ability to fundraise. This could impact both high net worth individuals and companies, two of the Charity's three main funding sources.

At present the Trustees and management team do not see any significant uncertainties around Ashoka UK's ability to continue as a going concern. The Trustees consider it appropriate to adopt the going concern basis in preparing the accounts.

## **Ashoka UK**

### **Trustees' Annual Report (Including Directors Report and Strategic Report)**

#### **Year Ended 31 August 2018**

##### **Reserves policy**

The Reserves Policy is set out to ensure that Ashoka UK (the "Charity") maintains a level of easily accessible funds ("reserves") so that it can continue its core activities during a period of unforeseen financial difficulties.

The Reserves Policy is set to determine the reserves level needed to pay for the Charity's core operational expenditures over a minimum of three months, should NO funding be available.

The Charity's Target Unrestricted Reserves as at 31 August 2018 was approximately £237,900.

At 31 August 2018, the Charity held unrestricted funds of £250,631, which was £12,731 over the target.

##### **Principal risks and uncertainties**

The Trustees and management team have a risk register that is reviewed and updated at least annually. At present this covers 15 potential risks in four categories: financial, reputational, operational and compliance. Mitigating actions have been identified and assigned to staff. The previous section outlines the two most significant risks: the merger with Ashoka Ireland, and the long-term impact of Brexit on the fundraising environment.

## Ashoka UK

### Trustees' Annual Report (Including Directors Report and Strategic Report)

Year Ended 31 August 2018

#### Plans for future periods

In coming years the Charity plans to continue the core activities with the following focus:

##### Identifying and supporting social entrepreneurs

- a) Electing 3-6 new "Ashoka Fellows" per year, with an increasing focus on the diversity of the candidates, and increasing the geographic spread of the candidates. We are doing this by diversifying our network of nominators, by increasing our presence in key geographies (directly and through partnerships), and proactively engaging with others in the sector around the topic of diversity.

##### Supporting young people to be changemakers

- a) We will work to support leaders in the education space (schools, policy making bodies, non-profit organisations, apex bodies etc.), primarily through convening.

##### Supporting the ecosystem of social entrepreneurship

- a) We will continue to run programmes with partners working in the social entrepreneurship sector - supporting learning on topical issues such as systems change and social finance.
- b) We will continue to develop knowledge assets that can be shared with partners and others working in the sector to support the continued improvement of those working on social issues and supporting social innovation.
- c) We will continue to grow and strengthen the community of change makers that are part of the Ashoka Support Network and the Ashoka Fellowship.

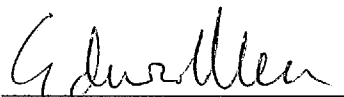
#### Disclosure of information to the auditors

We, the Directors of the Company who held office at the date of approval of these Financial Statements, as set out above each confirm, so far as we are aware, that:

- There is no relevant audit information of which the Company's auditors are unaware of; and
- We have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

In approving the Trustees' Annual Report, we also approve the Strategic Report included therein, in our capacity as Company Directors.

On behalf of the Board

Signature: 

Name: EDWARD FIDOE

Position: BOARD OF DIRECTORS

Date: 16/5/19

**Statement of Trustees' Responsibilities**

**Year Ended 31 August 2018**

The Trustees 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).

The law applicable to charities in England and Wales 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 charity and of the incoming resources and application of resources of the charity during the year and of its financial position at the end of the year.

In preparing these Financial Statements the Trustees are required to:

- Select suitable Accounting Policies and then apply them consistently;
- Observe the methods and principles of the Charities' SORP;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- Prepare the Financial Statements on the going concern basis unless it is inappropriate to assume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

# Ashoka UK

## Independent Auditor's Report

### Year Ended 31 August 2018

#### Opinion

We have audited the financial statements of Ashoka UK (the 'charitable company') for the year ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

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

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

#### 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. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Independent Auditor's Report**

**Year Ended 31 August 2018**

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

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

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of trustees**

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


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

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

<http://www.frc.org.uk/auditorsresponsibilities><http://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>[https://www.frc.org.uk/auditors/audit-assurance/standards-and-guidance/2010-ethical-standards-for-auditors-\(1\)](https://www.frc.org.uk/auditors/audit-assurance/standards-and-guidance/2010-ethical-standards-for-auditors-(1)). This description forms part of our auditor's report.

  
**Alastair Duke (Senior Statutory Auditor)**  
**For and on behalf of PKF Littlejohn LLP**  
**Statutory auditor**  
**Date:**

1 Westferry Circus  
Canary Wharf  
London E14 4HD

23 May 2019

# Ashoka UK

## Statement of Financial Activities (Incorporating an Income and Expenditure Account)

Year Ended 31 August 2018

		2018	2018	2018	Restated
		Unrestricted	Restricted	Total	2017
	Note	funds	funds		Total
		£	£	£	£
<b>Income from:</b>					
Donations and legacies	2	944,892	245,933	1,190,825	1,328,252
Interest income		-	-	-	1,098
<b>Total income and endowments</b>		<u>944,892</u>	<u>245,933</u>	<u>1,190,825</u>	<u>1,329,350</u>
<b>Expenditure on:</b>					
Raising funds		36,680	48,333	85,013	60,783
Charitable activities	3	849,835	233,433	1,083,268	1,109,942
<b>Total expenditure</b>		<u>886,515</u>	<u>281,766</u>	<u>1,168,281</u>	<u>1,170,725</u>
<b>Net income / (expenditure)</b>		<u>58,377</u>	<u>(35,833)</u>	<u>22,544</u>	<u>158,625</u>
<b>Net movement in funds</b>	10	<u>58,377</u>	<u>(35,833)</u>	<u>22,544</u>	<u>158,625</u>
<b>Reconciliation of funds:</b>					
Total funds brought forward	10	192,254	249,342	441,596	282,971
<b>Total funds carried forward</b>	10	<u>250,631</u>	<u>213,509</u>	<u>464,140</u>	<u>441,596</u>

All income and expenditure derives from continuing activities. The statement of financial activities includes all gains and losses recognised during the year.

The notes on pages 13 to 22 form part of these financial statements.

# Ashoka UK

## Balance Sheet

Year Ended 31 August 2018

	Note	2018 £	2017 £
<b>Current assets</b>			
Debtors	8	278,974	251,305
Cash at bank and in hand		334,911	305,553
		<u>613,885</u>	<u>556,858</u>
<b>Creditors: amounts falling due within one year</b>	9	149,745	115,262
<b>Net current assets</b>		<u>464,140</u>	<u>441,596</u>
<b>Net assets</b>		<u>464,140</u>	<u>441,596</u>
<b>Charity Funds</b>			
Restricted funds	10	213,509	249,342
Unrestricted funds	10	250,631	192,254
<b>Total charity funds</b>	10	<u>464,140</u>	<u>441,596</u>

The financial statements were approved and authorised for issue by the Board on 16 May 2019.

Signed on behalf of the Board of Trustees:

Signature: Edward Fidoe

Name: EDWARD FIDOE

Position: BOARD OF DIRECTORS

Date: 16/5/19.

The notes on pages 13 to 22 form part of these financial statements.

Company registration number: 04903565

**Ashoka UK****Statement of Cash Flows****Year Ended 31 August 2018**

	<b>Note</b>	<b>2018</b> £	<b>2017</b> £
<b>Cash flow from operating activities</b>	12	29,358	(388,666)
<b>Net cash flow provided by / (used in) operating activities</b>		<u>29,358</u>	<u>(388,666)</u>
 <b>Change in cash and cash equivalents in the year</b>		29,358	(388,666)
<b>Cash and cash equivalents at 01/09/2017</b>		305,553	694,219
<b>Cash and cash equivalents at 31/08/2018</b>		<u>334,911</u>	<u>305,553</u>
 <b>Cash and cash equivalents consists of:</b>			
 Cash at bank and in hand		334,911	305,553
<b>Cash and cash equivalents at 31/08/2018</b>		<u>334,911</u>	<u>305,553</u>

The notes on pages 13 to 22 form part of these financial statements.

**1 Summary of significant accounting policies**

**(a) General information and basis of preparation**

Ashoka UK is a Charity (registered number 1113246) and a Company limited by guarantee with no share capital (registered number 4903565) in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements.

The charity constitutes a public benefit entity as defined by FRS 102. 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 (effective 1 January 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements are prepared on a going concern basis under the historical cost convention. The financial statements are prepared in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

**(b) Funds**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

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

**(c) Income recognition**

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

Income from donations is recognised on receipt, unless there are conditions attached to the donation that require a level of performance before entitlement can be obtained. In this case income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity, for example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

**(c) Income recognition (continued)**

Legacy income is recognised when the charity becomes aware that probate has been granted, there are sufficient assets in the estate to pay the legacy and that any conditions attached to the legacy are either in control of the charity or have already been met. On occasion legacies will be notified where it is not possible to measure the amount expected to be distributed with sufficient reliability. On these occasions, the legacy is treated as a contingent asset and disclosed.

Income from grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Interest income is recognised when it is receivable.

**(d) Expenditure recognition**

All expenditure is accounted for on an accruals basis. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Grants payable to third parties are included in expenditure on charitable activities. Where unconditional grants are made, these amounts are recognised when a constructive obligation is created, typically when the recipient is notified that a grant will be made to them. Where grants are conditional on performance, then the grant is only recognised once any unfulfilled conditions are outside of the control of the charity.

**(e) Support costs allocation**

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, and project management costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources, being pro-rata against the level of direct costs incurred in each area of activity.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

The analysis of these costs is included in note 3.

**Notes to the Financial Statements**

**Year Ended 31 August 2018**

**(f) Debtors and creditors receivable / payable within one year**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

**(g) Provisions**

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

**(h) Foreign currency**

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

**(i) Tax**

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010. It therefore meets the definition of a charitable company for UK corporation tax purposes.

**(j) Leases**

Rentals payable under operating leases are charged to the SoFA on a straight-line basis over the period of the lease.

**2 Income from donations and legacies**

	<b>2018</b>	<b>2018</b>	<b>2018</b>	<b>Restated</b>
	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>Total</b>
				<b>£</b>
Individual donations from the Ashoka Support Network	300,171	-	300,171	197,368
Other individual donations	85,462	-	85,462	7,617
Gift aid	33,590	-	33,590	28,905
Trusts and family foundations donations	37,626	238,987	276,613	245,371
Corporate donations	139,000	1,500	140,500	373,840
Donated services	72,339	-	72,339	24,835
Revenue adjustments	-	-	-	-
Other Ashoka Offices	276,704	5,446	282,150	450,316
	<u>944,892</u>	<u>245,933</u>	<u>1,190,825</u>	<u>1,328,252</u>

**3 Analysis of expenditure on charitable activities**

	<b>Direct Activities 2018 £</b>	<b>Support costs 2018 £</b>	<b>Total 2018 £</b>
Social Entrepreneurs	253,070	193,813	446,883
Changemaker Education	126,730	97,056	223,786
Changemaker Ecosystem Building	233,656	178,943	412,598
	<b>613,456</b>	<b>469,812</b>	<b>1,083,268</b>

	<b>Restated Direct Activities 2017 £</b>	<b>Restated Support costs 2017 £</b>	<b>Restated Total 2017 £</b>
Social Entrepreneurs	199,063	98,997	298,060
Changemaker Education	251,049	124,852	375,901
Changemaker Ecosystem Building	291,174	144,807	435,981
	<b>741,286</b>	<b>368,656</b>	<b>1,109,942</b>

£388,979 (2017: £549,260) of the above costs were attributable to restricted funds. £694,289 (2017: £560,682) of the above costs were attributable to unrestricted funds.

**4 Allocation of support costs**

<b>Support cost</b>	<b>Raising funds 2018 £</b>	<b>Social Entrepreneur 2018 £</b>	<b>Changemaker Education 2018 £</b>	<b>Changemaker Ecosystem 2018 £</b>	<b>Total 2018 £</b>
Governance	6,787	36,675	17,865	32,937	93,264
Finance	10,389	54,611	27,348	50,421	142,770
Human resources	9,543	50,166	25,122	46,317	131,148
Office costs	9,783	51,426	25,752	47,480	134,442
Media and communications	367	1,934	968	1,786	5,057
<b>Total</b>	<b>36,870</b>	<b>193,813</b>	<b>97,055</b>	<b>178,944</b>	<b>506,682</b>

Support costs have been allocated pro-rata to the level of direct costs on each activity.

**Notes to the Financial Statements**

**Year Ended 31 August 2018**

**4 Allocation of support costs (continued)**

Support cost	Restated Raising funds 2017 £	Restated Social Entrepreneur 2017 £	Restated Changemaker Education 2017 £	Restated Changemaker Ecosystem 2017 £	Restated Total 2017 £
Governance	480	2,354	2,969	3,443	9,246
Finance	7,271	35,656	44,968	52,156	140,051
Human resources	8,296	40,682	51,306	59,507	159,791
Office costs	3,246	15,918	20,076	23,284	62,524
Media and communications	895	4,387	5,533	6,417	17,232
<b>Total</b>	<b>20,188</b>	<b>98,997</b>	<b>124,852</b>	<b>144,807</b>	<b>388,844</b>

Support costs have been allocated pro-rata to the level of direct costs on each activity.

**5 Auditor's remuneration**

	2018 £	2017 £
Fees payable to the charity's auditor for the audit of the charity's annual accounts	8,030	7,800
Under accrual from prior year	-	5,000
	<u>8,030</u>	<u>12,800</u>
Fees payable to the charity's auditor for other services:		
Taxation advisory	-	-
Other services	2,230	2,170
	<u>10,260</u>	<u>14,970</u>

**6 Trustees' and key management personnel remuneration and expenses**

The Trustees neither received nor waived any remuneration for their role as Trustees (2017: £Nil).

The total amount of employee benefits received by key management personnel during the year was £105,497 (2017 - £70,247). The increase is due to a change in management, where there were two key management personnel (2017: one).

The Trustees did not have any expenses reimbursed or paid directly on their behalf during the year (2017 - £Nil).

Notes to the Financial Statements

Year Ended 31 August 2018

**7 Staff costs and employee benefits**

The average monthly headcount was 13.8 staff (2017: 13.3 staff) and the average monthly number of full-time equivalent employees (FTE) during the year was as follows:

	<b>2018 FTE</b>	<b>Restated 2017 FTE</b>
Raising funds	0.6	0.5
Charitable activities	8.9	10.3
Support services	3.2	2.0
	<hr/> 12.7	<hr/> 12.8

The total staff costs and employee benefits were as follows:

	<b>2018 £</b>	<b>Restated 2017 £</b>
Wages and salaries	471,937	498,288
Social security	60,126	53,415
Defined contribution pension costs	10,657	11,709
	<hr/> 542,720	<hr/> 563,412

No employees received total employee benefits (excluding employer pension costs) of more than £60,000 in the year (2017: None).

**8 Debtors**

	<b>2018 £</b>	<b>2017 £</b>
Trade debtors	37,536	158,602
Amounts owed by other Ashoka entities	241,438	92,703
Prepaid expenses	-	-
	<hr/> 278,974	<hr/> 251,305

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

	<b>2018 £</b>	<b>2017 £</b>
Trade creditors	2,987	1,316
Amounts owed to other Ashoka entities	37,491	24,359
Stipend Payable	97,504	72,813
Accruals and deferred income	12,312	14,970
Other creditors	(550)	1,804
	<hr/> 149,745	<hr/> 115,262

Notes to the Financial Statements

Year Ended 31 August 2018

10 Fund reconciliation

Unrestricted funds

	Balance at 1 Sept 2017 £	Income £	Expenditure £	Balance at 31 Aug 2018 £
Unrestricted	192,254	944,892	(886,515)	250,631
	<u>192,254</u>	<u>944,892</u>	<u>(886,515)</u>	<u>250,631</u>
	Balance at 1 Sept 2016 £	Restated Income £	Restated Expenditure £	Balance at 31 Aug 2017 £
Unrestricted	172,222	716,632	(696,600)	192,254
	<u>172,222</u>	<u>716,632</u>	<u>(696,600)</u>	<u>192,254</u>

Restricted funds

	Balance at 1 Sept 2017 £	Income £	Expenditure £	Balance at 31 Aug 2018 £
UBS Switzerland	81,325	-	(51,412)	29,913
Lego Foundation	-	1,557	(7,831)	(6,274)
Boehringer Ingelheim	-	5,102	(5,102)	-
Fondation Primat	-	73,914	(45,659)	28,255
Big Lottery fund	90,663	-	(77,337)	13,326
Yidan Prize Foundation	25,307	14,996	(40,303)	-
Sodexo	52,047	-	(50,261)	1,786
University Hamburg	-	148,864	(660)	148,204
Other	-	1,500	(3,202)	(1,702)
	<u>249,342</u>	<u>245,933</u>	<u>(281,766)</u>	<u>213,509</u>

# Ashoka UK

## Notes to the Financial Statements

Year Ended 31 August 2018

### 10 Fund reconciliation (continued)

	Balance at 1 Sept 2016 £	Restated Income £	Restated Expenditure £	Balance at 31 Aug 2017 £
Freuds	-	20,000	(20,000)	-
Fossil Foundation	17,318	(4,648)	(12,668)	-
Blackstone Foundation	8,842	-	(8,842)	-
UBS Switzerland	71,106	264,608	(254,389)	81,325
Lego Foundation	-	96,472	(96,472)	-
Rothschild & Co	13,117	-	(13,117)	-
Stop Hunger	163	2,229	(2,392)	-
Boehringer Ingelheim	-	9,935	(9,935)	-
Cartier Foundation	-	12,615	(12,615)	-
Big Lottery fund	-	145,371	(54,708)	90,663
Yidan Prize Foundation	-	45,047	(19,740)	25,307
Sodexo	-	88,500	(36,453)	52,047
Other	201	-	(201)	-
	<hr/> 110,747 <hr/>	<hr/> 680,129 <hr/>	<hr/> (541,532) <hr/>	<hr/> 249,342 <hr/>

### Fund descriptions

#### a) Unrestricted funds

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

#### b) Restricted funds

The funds listed in the "Restricted Funds" table above are restricted to the following purposes & activities:

**Freuds** – the stipend for one Ashoka Fellow and the engagement of three senior executives at Freuds in Ashoka UK's activities.

**Fossil Foundation** – the development of a pipeline of social innovators in Europe that was aligned with the Foundation's mission; and the selection of five Fossil Fellows in Europe.

**Blackstone Charitable Foundation** – the organization of Ashoka UK's 10-year anniversary event, which consisted of two days of activities in November 2016; and the development of communication and thought leadership materials.

**UBS Switzerland funds** – the selection of some of the competition participants to participate in an accelerator program; and the support to individual social innovators.

**Rothschild & Co funds** – the coordination and facilitation between the Rothschild teams and two Ashoka Fellows.

**Stop Hunger funds** – supporting the engagement of one social entrepreneur of the larger Ashoka UK network with the Sodexo UK office.

**Boehringer Ingelheim International, Cartier Charitable Foundation, Lego Foundation and Sodexo Foundation** – the search & selection costs, plus stipend for several Ashoka Fellows. Boehringer Ingelheim International and Sodexo Foundation supported two Ashoka Fellows each, whereas Cartier Charitable Foundation and Lego Foundation supported one Ashoka Fellow each.

# Notes to the Financial Statements

## Year Ended 31 August 2018

### 10 Fund reconciliation (continued)

#### Fund descriptions

**Big Lottery Fund** – the search & selection and stipend costs for two Ashoka Fellows; the organization and hosting of a 4-day leadership retreats and joint knowledge exchange workshops; the creation of knowledge assets to strengthen the social entrepreneurship ecosystem.

**Yidan Foundation** – leading of the screening process of the Yidan Prize for Education, including technical review on completeness and eligibility, identification of top 50 nominations, and broadcast of the Yidan Prize through Ashoka networks.

**Participatory Memory Practices – POEM** – funding for a full-time 3-year PhD research involving European Ashoka Changemaker schools. Part of a broader EU research project which aims to develop a new framework for inclusive future-oriented memory practices to facilitate social cohesion in Europe. The project has received funding from European Union's Horizon 2020 Research and Innovation Programme under the Marie Skłodowska-Curie Grant Agreement No. 764859.

**Fondation Primat** – delivering a Learning Festival and a gathering of the Global Change Leaders in Lyon, and a 10-month Weavers Learning Journey (Accelerator Programme) that took place in Lyon, Maastricht and Bern.

### 11 Analysis of net assets between funds (at 31 August 2018)

	Unrestricted funds £	Restricted funds £	Total £
Debtors	208,837	70,136	278,974
Cash at bank and in hand	159,832	175,079	334,911
Creditors in less than one year	(118,038)	(31,706)	(149,745)
Total at 31 August 2018	250,631	213,509	464,140

### Analysis of net assets between funds (at 31 August 2017)

	Unrestricted funds £	Restricted funds £	Total £
Debtors	37,082	214,223	251,305
Cash at bank and in hand	210,595	94,959	305,554
Creditors in less than one year	(55,423)	(59,840)	(115,262)
Total at 31 August 2017	192,254	249,342	441,596

**12 Reconciliation of net income / (expenditure) to net cash flow from operating activities**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Net income / (expenditure) for year	22,544	158,625
(Increase) in debtors	(27,669)	(99,385)
(Decrease) / increase in creditors	34,483	(447,906)
Net cash flow from operating activities	<u>29,358</u>	<u>(388,666)</u>

**13 Related party transactions and ex gratia payments**

During the year, the charity paid £0 (2017: £25,000) to Chelwood Capital for consulting services. Mr Mark Cheung, the director of Chelwood Capital was also a trustee of Ashoka UK. He resigned in June 2018.

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

The exemption from disclosure of transactions with other group entities has been taken under FRS 102 section 33.1A.

**14 Ultimate parent undertaking**

Ashoka UK is a subsidiary of Ashoka, a global organisation of leading social entrepreneurs with headquarters in the US organisation with 501 (c) status and registered address of 1700 North Moore Street, Suite 2000, Arlington, VA, 1939, USA.

**15 Operating leases**

Total future minimum lease payments under non-cancellable operating leases are as follows:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Not later than one year	42,756	42,756
Later than one year and not later than five years	7,126	49,882
Later than five years	-	-
	<u>49,882</u>	<u>92,638</u>

**16 Prior period adjustment**

A prior period adjustment was made for £220,596 in relation to items of expenditure which were wholly incurred by Ashoka UK for which a reimbursement is subsequently received from another Ashoka entity. The adjustment was processed to gross up both income and expenditure for the amounts reimbursed and which has incorrectly been netted off.