



**Trustees' Report and
Audited Financial
Statements**

Year ended 30 September 2018

Charity registered number
1147344/SC043324

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Trustees' Report

The Trustees present the annual report and the audited financial statements of the charity for the period ended 30 September 2018. The financial statements have been prepared in accordance with the accounting policies set out in note 1 and comply with the charity's Trust Deed, the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and the Statement of Recommended Practice: Accounting and Reporting by Charities 2016 published on 16 July 2014. The charity has taken some of the exemptions available to smaller charities within FRS 102.

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

Trustees

Becca Bland (External Trustee)
Darren Ellis
Harvey Gallagher (External Trustee)
Joe Lister
Nicholas Miller (External Trustee)
Jenny Shaw
Chair - Professor Sir Tim Wilson (External Trustee)

Charity number

1147344 / SC043324

Principal office

South Quay
Temple Back
BRISTOL
BS1 6FL

Auditor

Deloitte LLP
Statutory Auditor
3 Rivergate
Temple Quay
BRISTOL
BS1 6GD

Bankers

Royal Bank of Scotland
P.O. Box: 238
32 Corn Street
BRISTOL
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Trustees' Report (continued)

Structure, governance and management

The Charitable Trust

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

In 2016, Unite made a donation of 4,128,819 units in the Unite UK Student Accommodation Fund (USAF), a Jersey-based Unit Trust, to the Unite Foundation. As at 30 September 2018, the value of these units increased to £5,628,478 from £5,396,366 at 30 September 2017. The Trust has received dividends from the units held in USAF in the twelve month period to September 2018 in the value of £261,489 (nine month period to September 2017: £226,796)

Unite was the primary donor to the Trust during the period, donating £1,541,300 (nine month period to September 2017: £1,159,202).

In 2017, the Trust changed its year-end to 30 September in order to align its financial year with the academic timetable adhered to by its beneficiaries and university partners. This amendment also aligns with the quarterly revaluation date of the units held in USAF, which is the Trust's principal asset. This resulted in a transitional nine month period of results in 2017 which now acts as a comparable for the twelve months from 1 October 2017 to 30 September 2018.

Trustees, governance and management

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

With the Unite Foundation now in its 6th year and following the recruitment of new Trustees in 2017, the Board of Trustees undertook a governance review of the Foundation in October 2017. This governance review assessed the Foundation's activity and documentation against the Charity Commission's Charity Governance Code 2017. The Code for larger charities was used in recognition of the Trust's annual turnover. The Foundation was assessed against the 7 principles and recommended practices outlined in the Code, as well as the Charity Commission's Guide to Corporate Foundations. This review was undertaken by the Assistant Company Secretary of The Unite Group plc.

This governance review concluded that the key recommended practices from the Charity Governance Code are consistently applied. The Board of Trustees has clear objectives and strategy in place. The Trustees deploy a wide range of skills, knowledge and experience essential to good governance and the balance of expertise is kept under review with an openness to additional Board recruitment. It was recommended to review and refresh key agreements and policies annually. Going forward, the Board of Trustees will consider conducting an external governance review, to be synchronised with an external Trustee evaluation, in 2019/20.

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

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

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

The key management personnel of the charity are the Trustees. The day-to-day running of the Foundation was undertaken by a team of two permanent paid staff supported by the Chair. Unite Group employees who provided additional specialist support, e.g. finance, legal or communications, received no remuneration from the Trust during the period, which is not recharged to the Foundation and its value is unable to be quantified. Three Trustees received reimbursement of travel expenses totaling £24 during the period (30 September 2017: two Trustees totaling £nil).

Trustees' Report (continued)

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

Objectives and activities

Charitable purpose

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

Main activity

The Unite Foundation intends to improve the access, progression and post-graduate outcomes for care leaver and estranged students in the UK. This goal is addressed by delivering direct benefit to relevant students through a national scholarship scheme, raising awareness of the experience of such students and by supporting transformational research. Cohorts of undergraduate students are entitled to three separate years of free accommodation which is approved by the Board on an annual basis; students in the scheme before 2017/18 also received an annual cost of living allowance of £3,000 (£4,000 for students in London) in addition to their rent-free accommodation.

Grants policy

Applications for scholarship awards again exceeded the number of awards published as being available in year for the forthcoming cycle. On review of cash reserves and in response to growing demand, the Trustees took the decision to increase the number of awards to 90 (2017/18: 70). Trustees agreed a cohort of potential students to receive scholarship support at the annual Trustees' meeting in June. The agreed cohort reflected the published scholarship scheme priorities of:

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

Achievements and development

Scholarship scheme

The Unite Foundation Scholarship Scheme provides three separate years of purpose built student accommodation support for young people from a care or estranged background. The scheme works in partnership with a network of 29 universities with whom we identify potential candidates and collaborate on the pastoral support of selected students.

In 2017/18 the Foundation added an additional university to its network of partners. Kingston University London had responded to the open call for university expansion during 2017 when the scheme grew from 10 to 28 universities. At point of application the Board sought assurance that potential scholarship students would not be disadvantaged by the distance between pertinent accommodation and university. Kingston surveyed their student population and indicated the wide range of commute for the student population. The Board agreed to incorporate Kingston University for intake 18/19. (The framework against which Unite Foundation university partners apply for participation is published on the website www.unitefoundaton.co.uk.)

The Board awarded an increased number of individual scholarships; a further 90 scholarships (from 70 in the 2017/18 uptake) to young people from a care or estranged background engaged in university education.

Scholarships were available at the following universities:

Aston University	Leeds Beckett University	University of Edinburgh
Bath Spa University	Liverpool John Moores University	University of Exeter
Bournemouth University	London Metropolitan University	University of Portsmouth
Brunel University London	Manchester Metropolitan University	University of Reading
De Montfort University	Plymouth University	University of Salford
Edinburgh Napier University	Queen Mary University of London	University of Sheffield
Glasgow Caledonian University	Robert Gordon University	University of Strathclyde
Huddersfield University	Sheffield Hallam University	University of the West of England (UWE)
King's College London	University of Bristol	University of Westminster
Kingston University London	University College London (UCL)	

Trustees' Report (continued)

Progress against Objectives for 2017/18

Scholarships

In 2017/18 we congratulated 34 scholarship students on their graduation bringing our overall total of graduates to 84. During the academic year we supported 165 students across the UK. A measure of its longer term impact; since its formation in 2012, we have supported 344 young people; one of the largest UK providers of HE support for this vulnerable population of students.

Provision of targeted employability support to scholarship students; directly and as part of collaborative activity with university partners, 3rd sector organisations and corporate supporters.

In 2017/18 we explored aspects of scholars' employability, with personal development training for 16 scholars, supported work placements for 4 scholars and tailored signposting for London-based students to local specialist agencies. This pilot project will provide a base for further development.

The convening of a Board sub-group that will commission research and insight of direct value to those working with care leavers and estranged students. Areas of focus will include access, participation and post-graduate outcomes.

The long term commitment of the Foundation to support our beneficiary population requires an enhanced evidence base to inform our decisions, and those of our partners. In that context, we regard research as an essential foundation for informed investment.

To establish an infrastructure to achieve this, we have created and delegated authority to a Research sub-group of Trustees. This Sub group consists of Jenny Shaw, Becca Bland and Nik Miller. We intend to ring-fence monies of £60k per annum to be set aside (and a first invitation to tender released in October 2018.) We look forward to the outcomes of this structured research.

Developing clear visibility with university partners of the impact of scholarship awards on care leaver and estranged student access, attainment and outcomes. In doing so we will monitor improved experience and retention for the wider cohort of estranged and care leaver students within each of our partner universities.

As the newly-formed regulator, "the Office for Students" has extended the sector's widening participation focus to embrace access, participation and retention, our university partners increasingly recognise the role that the Foundation plays in achieving their objectives. Already, most of our partner universities explicitly promote the Foundation to potential students and we expect the Foundation to appear explicitly in our partners' published "Access and Participation plans" from 2020 onwards.

To support our beneficiaries and our partner universities, in 2017/18 the Foundation made a step change in our public visibility through both traditional print based media and through a growing social media presence. This resulted in a significant increase in website traffic with 11,715 unique visitors, peaking in May with over 2,000 visits, and culminating in 2,369 downloads of the Scholarship application form.

Research with founding partners commenced in-year with results expected in February 2019.

Primary Objectives for 2018/19

Scholarships

As a result of increased demand we recruited a further 90 students during 2017/18 to be supported from 2018/19 onwards. We will release application papers for 2019/20 with a further 90 scholarships to be awarded.

Research

We will commission landmark research into the access, progression and post-graduate outcomes for care leaver and estranged young people in Higher Education. The report will propose practicable measures at pedagogical and policy level as well as inform the forward strategy for the Foundation itself.

Outreach Impact

We will develop or communications with younger people considering university and add value to university partner outreach by reaching 30% of our applicants before they complete UCAS applications. We will be visible at all of our university partners via

Trustees' Report (continued)

website and content within institutional Access and Participation plans (2020/21). 90% of our university partners will report the value of early engagement with care leaver or estranged students by virtue of the Foundation scholarship scheme.

Transition to university

We will deliver life skills 'transition to HE' training targeted at care leaver and estranged young people. These sessions (run in partnership with virtual schools and foyer) will explore aspects of university life and be enhanced by the engagement of peer role models. Twenty scholarship students will be trained to support these sessions.

Governance

We will commission an external audit of Board effectiveness for 2020 as part of our unstinting focus on good governance. We will also reflect a determination to add value at a policy level by appointing HE sector leaders to the Board and recruiting a Director to lead on sector influence nationally.

Supporting post-graduate outcomes

We will broker 35 paid internship opportunities to underpin the skills development and progression of scholarship students.

Financial review

Financial review for the period

Details of the financial performance are set out in the Statement of Financial Activities on page 10. The Trust is reliant on a combination of an annual donation from Unite Group and income from its asset of units in the USAF fund. The Trust revised its year-end in 2017 from 31 December to 30 September in order to align the financial year with the academic year and support narratives of investment and charitable impact.

Reserves policy

The Trust held positive reserves of £6,725,052 at 30 September 2018 of which £5,628,478 relates to the investment units held in an endowment fund. At the end of the period, excluding the investment held within the endowment fund and restricted funds, the Trust held positive reserves of £1,096,574. In the Trustees' view, the reserves should provide the charity with sufficient resource to meet six months of operational commitment, which as at September 2018 is calculated at £998,789. This is a reflection of the obligations to Foundation scholarship beneficiaries and recognition that they should not be disadvantaged as a result of withdrawal of funding and/or accommodation within an academic year. Unite has continued to provide the Trust with an undertaking that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the Trust. The revised reserves policy will incorporate cash flow consideration within its calculation to further reduce reliance upon Unite Group.

Related parties

Unite made a cash donation of £1,549,300 to the Trust during the period (30 September 2017: £1,159,202). By the end of September 2018 the USAF units have increased in value to £5,628,478 (30 September 2017: £5,396,366) and dividends received were £261,489 for the year to 30 September 2018 (nine month period ended 30 September 2017: £226,796). Nothing is due from the Trust to Unite in respect of this asset.

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

At 30 September 2018, £12,138 was due to Unite (30 September 2017: £69,159), in relation to reimbursed costs.

At 30 September 2018, no monies were due from Unite (30 September 2017: £582,000) in relation to accrued donations which remained unpaid at the year end.

Trustees' analysis of key risks

The Foundation's principal risk is the reliance on an annual donation from Unite Group and income from units which the Foundation owns in the USAF fund (previously donated by Unite Group Plc) in order for the Trust to continue supporting its scholars.

In order to mitigate this risk, the board is investigating options for income diversification to reduce the reliance on a single corporate donor, whilst recognising the Foundation is a corporate foundation. This is consistent with the risk register, which is held at 'medium' in the light of the long-term commitment from the Unite Group Board and the asset-based income stream.

Trustees' Report (continued)

Going concern

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

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

Disclosure of information to auditor

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

By order of the Trustees



Treasurer

J.J. LISTER

14 DECEMBER 2018

Statement of Trustees' Responsibilities

The trustees are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102: The financial reporting standard applicable in the UK.

The law applicable to charities in England and Wales and Scotland 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 for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, the Charities and Trustee Investment (Scotland) Act 2005, and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps to prevent and detect fraud and other irregularities.

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

Independent auditor's report to the trustees of The Unite Foundation

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of The Unite Foundation (the 'charity'):

- give a true and fair view of the state of the charity's affairs as at 30 September 2018 and of incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

We have audited the financial statements which comprise:

- the Statement of Financial Activities including Income and Expenditure;
- the Balance Sheet;
- the Statement of Cash Flows; and
- the related notes 1 to 11.

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

Basis for opinion

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

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

Conclusions relating to going concern

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

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

We have nothing to report in respect of these matters.

Other information

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

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

We have nothing to report in respect of these matters.

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Report on other legal and regulatory requirements

Matters on which we are required to report by exception

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

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

We have nothing to report in respect of these matters.

Use of our report

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

Deloitte LLP

Deloitte LLP
Statutory Auditor
Cardiff, Wales.

18 December 2018

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

Statement of Financial Activities including Income and Expenditure
for the year ended 30 September 2018

		Year ended 30 September 2018			Nine month period ended 30 September 2017			
Note	Unrestricted funds £	Restricted funds £	Endowment funds £	Unrestricted funds £	Restricted funds £	Endowment funds £	September 2017 £	
Income from:								
Income from donations	1,551,800	-	-	1,551,800	1,174,202	2,674	-	1,176,876
Investment income	261,489	-	-	261,489	226,796	-	-	226,796
Total income	1,813,289	-	-	1,813,289	1,400,998	2,674	-	1,403,672
Expenditure on:								
Charitable expenditure –								
Grants	3 1,382,343	-	-	1,382,343	1,051,147	-	-	1,051,147
Support costs	3 10,402	-	-	10,402	7,352	-	-	7,352
Charitable expenditure –								
Other	3 125,553	2,674	-	128,227	93,881	-	-	93,881
Total expenditure	1,518,298	2,674	-	1,520,972	1,152,380	-	-	1,152,380
Net income before investment gains	294,991	(2,674)	-	292,317	248,618	2,674	-	251,292
Net gains on investments	-	-	232,111	232,111	-	-	86,705	86,705
Net income and movement in funds	1 294,991	(2,674)	232,111	524,428	248,618	2,674	86,705	337,997
Total funds brought forward	801,583	2,674	5,396,366	6,200,623	552,965	-	5,309,661	5,862,626
Total funds carried forward	7 1,096,574	-	5,628,477	6,725,051	801,583	2,674	5,396,366	6,200,623

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

Balance Sheet
as at 30 September 2018

	Note	Unrestricted funds	Restricted Funds	Endowment Fund	30 September 2018	Unrestricted funds	Restricted Funds	Endowment Fund	30 September 2017
		£	£	£	£	£	£	£	£
Fixed assets									
Investments	4	-	-	5,628,478	5,628,478	-	-	5,396,366	5,396,366
Current assets									
Cash at bank		838,861	-	-	838,861	194,959	2,674	-	197,633
Debtors	5	312,885	-	-	312,885	715,842	-	-	715,843
		<u>1,151,746</u>	<u>-</u>	<u>-</u>	<u>1,151,746</u>	<u>910,801</u>	<u>2,674</u>	<u>-</u>	<u>913,485</u>
Creditors: amounts falling due within one year	6	(55,172)	-	-	(55,172)	(109,218)	-	-	(109,218)
Net current assets		<u>1,096,574</u>	<u>-</u>	<u>-</u>	<u>1,096,574</u>	<u>801,583</u>	<u>2,674</u>	<u>-</u>	<u>804,257</u>
Net assets		<u>1,096,574</u>	<u>-</u>	<u>5,628,478</u>	<u>6,725,052</u>	<u>801,583</u>	<u>2,674</u>	<u>5,396,366</u>	<u>6,200,623</u>
Funds									
Restricted funds	7	-	-	-	-	-	2,674	-	2,674
Endowment funds	7	-	-	5,628,478	5,628,478	-	-	5,396,366	5,396,366
Unrestricted funds	7	1,096,574	-	-	1,094,574	801,583	-	-	801,583
		<u>1,096,574</u>	<u>-</u>	<u>5,628,478</u>	<u>6,725,052</u>	<u>801,583</u>	<u>2,674</u>	<u>5,396,366</u>	<u>6,200,623</u>

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

2018 and were signed and authorised



Joe Lister, Treasurer

14 DECEMBER 2018

Statement of Cash Flows
for the year ended 30 September 2018

	<i>Note</i>	Year ended 30 September 2018 £	Nine month period ended 30 September 2017 £
Cash generated from operating activities			
Net cash provided by/(used in) operating activities	CF1	379,739	(779,873)
 Cash generated from investing activities			
Dividends from investments		261,489	226,796
Net cash provided by investing activities		261,489	226,796
 Net increase/(decrease) in cash and cash equivalents		641,228	(553,077)
 Cash brought forward 1 October / 1 January		197,633	750,710
 Cash carried forward 30 September		838,861	197,633
 Cash flow note 1 (CF1)			
Operating surplus		292,317	251,292
Decrease/(increase) in debtors		402,957	(693,044)
(Decrease) in creditors		(54,046)	(111,325)
Dividend income		(261,489)	(226,796)
 Net cash provided by/(used in) by operating activities		379,739	(779,873)

Notes to the financial statements

1 Accounting policies

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

Basis of preparation

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

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

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

The principal accounting policies are set out below.

Going concern

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

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

Income

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

Expenditure

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

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

Notes to the financial statements

2. Accounting policies (continued)

Investments

Investments are held at market value.

Financial instruments

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

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

Funds

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

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

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

Taxation

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

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

Critical accounting judgements and key sources of estimation uncertainty

In applying the charity's accounting policies, the Trustees may be required to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The area involving the most sensitive estimates and assumptions that are significant to the financial statements is the valuation of the investment in USAF, a Unit Trust based in Jersey. The period-end valuation has been based on the quarter-end unit price provided by the Trust.

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

Notes to the financial statements *(continued)*

3 Net incoming resources and expenditure for the period

	Year ended 30 September 2018	Nine month period ended 30 September 2017
	£	£
<i>Net incoming resources and expenditure for the period are stated after charging:</i>		
Auditor's remuneration – audit	10,200	7,200
	<u>10,200</u>	<u>7,200</u>

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

3 Employees

The charity employed two members of staff during the period (30 September 2017: two). There are not considered to be any key management personnel employed by the charity.

	Year ended 30 September 2018	Nine month period ended 30 September 2017
	£	£
Wages and salaries	74,219	44,077
Social security costs	6,064	4,206
Other pension costs	2,369	1,107
	<u>82,652</u>	<u>49,390</u>

No employee had salary and benefits of over £60,000 (30 September 2017: £nil) and no remuneration was paid to Trustees (30 September 2017: £nil).

Notes to the financial statements *(continued)*

3 Resources expended

	Year ended 30 September 2018 £	Nine month period ended 30 September 2017 £
Support costs		
Auditor's remuneration – audit	10,200	7,200
Trustee's travel expenses	24	-
Other expenses	178	152
	<hr/>	<hr/>
	10,402	7,352
	<hr/> <hr/>	<hr/> <hr/>
Charitable expenditure -other		
Communications	37,695	35,830
Salaries	82,652	49,390
Research	-	4,000
Other	7,880	4,661
	<hr/>	<hr/>
	128,227	93,881
	<hr/> <hr/>	<hr/> <hr/>
Charitable activities – Grants payable		
Student bursaries	246,569	285,112
Student rental payments	1,135,774	764,664
Other	-	1,371
	<hr/>	<hr/>
	1,382,343	1,051,147
	<hr/> <hr/>	<hr/> <hr/>

All support costs have been allocated to one charitable activity relating to the charitable objectives of the Foundation. In addition all grants are made to individuals through 29 Partnership universities as set out in the Trustees' Report.

Notes to the financial statements (continued)

4 Investments

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

	£
Market value at 1 October 2017	5,396,366
Additions to investments	-
Net unrealised investment gains	232,111
	<hr/>
Carrying value at 30 September 2018	5,628,477
	<hr/> <hr/>
Historic cost £4,938,068 (on donation from Unite).	

Analysis of investments

	£
Unit Trust	5,628,477
	<hr/> <hr/>

5 Debtors

	30 September 2018 £	30 September 2017 £
Prepayments	312,885	203,001
Amounts due from related parties	-	512,841
	<hr/>	<hr/>
	312,885	715,842
	<hr/> <hr/>	<hr/> <hr/>

6 Creditors: amounts falling due within one year

	30 September 2018 £	30 September 2017 £
Accruals and deferred income	43,034	109,218
Amounts due to related parties	12,138	-
	<hr/>	<hr/>
	55,172	109,218
	<hr/> <hr/>	<hr/> <hr/>

Notes to the financial statements (continued)

7 Funds

	30 September 2018	30 September 2017
Unrestricted funds	£	£
At 1 October / 1 January	801,583	552,965
Total income	1,813,289	1,400,998
Total expenditure	(1,518,298)	(1,152,380)
	<u> </u>	<u> </u>
At 30 September	1,096,574	801,583
	<u> </u>	<u> </u>
Restricted	£	£
At 1 October / 1 January	2,674	-
Total income	-	2,674
Total expenditure	(2,674)	-
	<u> </u>	<u> </u>
At 30 September	-	2,674
	<u> </u>	<u> </u>

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

Endowment fund	£	£
At 1 October / 1 January	5,396,366	5,309,661
Net gain on investments	232,111	86,705
	<u> </u>	<u> </u>
At 30 September	5,628,477	5,396,366
	<u> </u>	<u> </u>

8 Trustees' remuneration and expenses

No Trustee received any remuneration from the Trust during the period (30 September 2017: £nil).

Three Trustees received reimbursement of travel expenses totaling £24 during the period (30 September 2017: two Trustees totaling £nil).

9 Commitments

At 30 September 2018, the Trust has outstanding commitments of £1,530,453 (30 September 2017: £1,223,163) in respect of bursaries relating to the 2018/19 academic year which were granted prior to 30 September 2018 where the conditions associated with the grant have not yet been met, refer to expenditure accounting policy within note 1 to the accounts. The timing of settlement of these commitments are within the next 12 months until the end of the 2018/19 academic year. Funding of this commitment will be from cash donations received and distributions received from the investment in USAF units.

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

Notes to the financial statements *(continued)*

10 Related party transactions

The Unite Foundation received a donation of £1,541,300 from the Unite Group during the period (30 September 2017: £1,159,202).

In 2016, Unite made a donation of 4,128,819 units in the Unite UK Student Accommodation Fund (USAF) to the Trust. At the time of the donation these units were valued at £4,938,068. By September 2018, the units have increased in value to £5,628,478. Nothing is due from the Trust to Unite in respect of this donation. The units cannot be disposed of without consent of the original donor therefore are treated as a permanent capital endowment. Investment income relating to this endowment fund is unrestricted and can be used in the furtherance of the charitable objectives.

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

At 30 September 2018, £12,138 was due to Unite (30 September 2017: £69,159), in relation to reimbursed costs.

At 30 September 2018, no monies were due from Unite (30 September 2017: £582,000) in relation to accrued donations which remained unpaid at the year end.

Unite Trustees do not receive any remuneration from the Trust.

11 Controlling party

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