



Report and financial statements
For the year ended 30 September 2021

Charity number: 1147344/SC043324

Contents

Reference and administrative information	1
Trustees' annual report	2-10
Independent auditor's report	11-14
Statement of financial activities (incorporating an income and expenditure account)	15
Balance sheet	16
Statement of cash flows	17
Notes to the financial statements	18

Charity number 1147344/SC043324

Country of registration England & Wales/Scotland

Registered office and operational address South Quay House
Temple Back
BRISTOL
BS1 6FL

Trustees Trustees who served during the year and up to the date of this report were as follows:

Shân Wareing	Chair
Nicholas Miller	
Jenny Shaw	
Fiona Slaven	Appointed November 2020
Joe Lister	Resigned November 2020
Lloydette Bai Marrow	Appointed June 2021
Tracey Harrison	Appointed June 2021
Ian Adams	Appointed June 2021
Sunday Blake	Appointed June 2021
Professor Andrea Dlaska	Resigned June 2021
Moray Notman	Appointed September 2021
James Watts	Appointed September 2021

Key management personnel	Eluned Parrott Director	Resigned October 2020
	Fiona Ellison Director	Appointed January 2021

Bankers Royal Bank of Scotland
P.O. Box: 238
32 Corn Street
BRISTOL - BS1 1HQ

Solicitors Taylor Vintners
Tower 42, 33rd Floor
25 Old Broad Street
London - EC2N 1HQ

Auditor Sayer Vincent LLP
Chartered Accountants and Statutory Auditor
Invicta House
108-114 Golden Lane
LONDON - EC1Y 0TL

The Trustees present their report and the audited financial statements for the year ended 30 September 2021.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the charity's trust deed and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives and activities

Purposes and aims

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.

The Trust 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 a maximum of three separate years of free accommodation which is approved by the Board on an annual basis; students who joined the scheme before 2017/18 also receive an annual cost of living allowance of £3,000 (£4,000 for students in London) in addition to their rent-free accommodation.

The Trustees review the aims, objectives and activities of the charity each year having regard to the Charity Commission's guidance on public benefit. The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

Grants policy

The Trust addresses its charitable goal principally by the gift of scholarship grants to care leaver and estranged students. The scholarship scheme has published 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

No new scholarship students joined the scheme in Autumn 2021 as a result of a one year hiatus of intake triggered by the Coronavirus pandemic (Board decision having been made in March 2020.) 253 continuing students were active on the scholarship during 2020/21 of which 199 were active in taking up a free tenancy that is at the heart of the scholarship benefit.

Achievements and performance

All charitable activities focus on care leaver and estranged undergraduate students and are undertaken to further the Unite Foundation's charitable purposes for the public benefit.

Goals and outcomes 2020/21

Goal **Student accommodation staff know how to engage with Foundation scholarship students**

Outcome

A Unite Students-facing awareness initiative was designed - informed by an operational focus group - to be deployed throughout November 2021. The campaign is enacted by scholarship students and engagingly educates on definitions of care leaver and estranged status, year round accommodation tenancies and mechanisms for supporting scholarships students.

This theme is taken forward in the '21-'26 strategic strand 'Removing Roadblocks' where students will form the This is Us campaign group ensuring others across the entire Higher Education sector can be educated - directly by those most effected - on the accommodation needs and barriers of care experienced and estranged students.

Goal **50% of new 20/21 scholars and 25% of continuing scholars report a sense of belonging at university**

Outcome

58% of new 20/21 scholars and 39% of continuing scholars reported 'good or excellent confidence' in completing their university course of study in the annual student survey. This was mirrored within other the markers of 'belonging' including social connection, self esteem and confidence in living arrangements.

This theme is taken forward in the '21-'26 strategic strand 'Community' investing in staff capacity and budgetary resource to enable students to connect within and across university institutions for a shared sense of presence.

Goal **Two universities in our network to act as guarantors or offer a guarantor waiver for care experienced and estranged students in their halls of residence.**

Outcome

Reflecting increased sector activity around this perennial issue facing students without family support, this goal was moderated in year to instigate a national review of CEES student guarantor services, reporting existing provision, best practice and developing clear recommendations/approaches for future work. An outcome in year is a draft, university-facing, toolkit developed by a graduate with lived experience that builds upon work with Local authorities.

This thematic area will be taken forward as the first focus for the '21-'26 strategic strand 'Removing Roadblocks' supporting students to campaign for aspects of student housing to be

accessible to them. Connection has been made with key sector practitioner charity NNECL (National Network for the Education for care leavers) for complementary activity into 21/22.

Goal **To secure 100 scholarships with existing and additional partners to be delivered through the Unite Foundation in the 22/23 academic year**

Outcome

The 22/23 academic year will have 80 scholarships available funded through donation from partner Unite Students. The ongoing impact of the pandemic, for charity and university sector alike, hampered efforts to develop the detailed work necessary to secure new providers of full accommodation scholarships.

The central aspect of the Unite Foundation's work and future ambition to expand is captured in the 2021-'26 strand of 'A Home at university' which sets out collaborative and new models of scholarships to be examined with the intent of reaching more estranged or care experienced young people.

Goals **25 scholars to have employment within Foundation activity sufficient to develop skills and CV profile. 20% of scholars in years 1 & 2, to have trialed a career preparation plan**

Outcome

32 scholarship students in total were able to access paid employment as a direct result of Foundation activity. Twenty two students were engaged across the Foundation's brand, social media and policy forum work fulfilling the brand promise made in 2019 to embed operational activity and communications clearly within the beneficiary experience. A further 10 scholarship students undertook paid career-coaching internships with corporate supporters Thames Water and Glide brokered by the charity. The career preparation trial did not come to fruition with an adjustment of goal in- year that acknowledged capacity demands on the staff team to scope an employability model pathway for our scholars, reporting existing provision, best practice and developing clear recommendations/approaches for future work.

Whilst, clearly, individual scholarship students benefit immensely from brokered employment opportunities, the provision of such by the Foundation must remain ancillary to the central elements of a secure home and development of student community. To efficiently deliver this benefit therefore the forward strategic strand 'Bespoke Opportunities' sets out the intent for partnership working with key organisations. A connection with the Care Leaver Covenant to describe an employer internship 'template' has marked immediate progress on this theme.

Financial review for the year

The Trust received total donation income of £1,862 in the year (30 September 2020: £3,021,867) and received total investment income of £212,895 (30 September 2020: £93,973) from its units held in an endowment fund. The Trust had net assets of £6,604,859 as at 30 September 2021 compared to net assets of £8,123,806 as at 30 September 2020. This variance is principally a result of 19/20 year end position being inflated by early recognition of a donation commitment for 2020/21. Details of the financial performance are set out in the Statement of Financial Activities on page 15. The Trust continued to receive donations from the Unite Group (albeit recognised

early) and income from its asset of units in the USAF Fund returned after a significant reduction in 19/20 due to the Coronavirus pandemic.

Reserves policy

The Trustees will maintain reserves at a level that is sufficient to meet beneficiary existing tenancy commitments plus at least 6 months of operational expenditure.

This policy ensures that the Unite Foundation has sufficient reserves to:

- meet living allowance obligations to pre 2017/18 Foundation Scholarship beneficiaries for a period of at least 2 terms and to meet the accommodation support for all Foundation Scholarship beneficiaries for the duration of all existing academic tenancies.
- manage ordinary cash flow shortfalls within the standard operation of the Foundation.
- cover contractual liabilities, plus standard operational costs for 6 months, plus a winding down of charitable activities

The Trust held total assets of £6,604, 859 at 30 September 2021 (30 September 2020: £8,123,806), of which £5,722,543 (30 September 2020: £5,635,838) relates to the investment units held in an endowment fund. At the end of the year, excluding the investment held within the endowment fund and restricted funds, the Trust held free reserves of £882,316 (30 September 2020: £2,487,968). In the Trustees' view, the reserves should provide the charity with sufficient resource to meet six months of operational commitment, the target for which at September 2021 is calculated at £1,186,500. The gap between free reserves total and target will be met by incoming resources of which the Board has a strong indication of receipt and, in addition, 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.

Related parties

Unite made no cash donation to the Trust during the year (£1,900,000 intended for academic year 20/21 being recognized in 19/20 resulting in a total at 30 September 2020 of £3,021,867). As at the end of September 2021 the USAF units were valued at £5,722, 543 (30 September 2020: £5,635,838) and dividends received were £212,895 for the year to 30 September 2021 (30 September 2020: £93,973). Nothing is due from the Trust to Unite in respect of this asset.

Unite has no involvement or influence over the Trust's activities and grant making decisions.

At 30 September 2021, £88,222 was due to Unite (30 September 2020: £18,955) in relation to reimbursed costs.

At 30 September 2021, £nil was due from Unite (30 September 2020: £1,900,000) in relation to accrued donations which remained unpaid at the year-end.

Trustees' analysis of key risks

The Foundation's principal risk is 'Impact of charitable activity cannot be measured or corroborated.'

The Foundation seeks to measure impact in both qualitative and quantitative terms. The benefit of charitable activity at a personal level is very well documented over the ten years of the scheme's operation with beneficiaries reporting impact unprompted and within organised feedback

structures. The captured risk reflects the wider challenge of measuring - in robust terms - the objective, quantitative impact of intervention within what is a statistically small population of students. In order to examine this aspect further, the charity will in 2021/22 be commissioning research from the Higher Education Statistical Agency (HESA) that will articulate what can meaningfully be reported with the risk rating being reviewed thereafter.

The reliance on donations from The Unite Group and income from units that the Foundation owns in USAF (previously donated by The Unite Group) in order for the Trust to continue supporting its scholars, is also considered a risk and in mitigation, the board continues to investigate options for income diversification to reduce the reliance on a single corporate donor, whilst recognizing the Foundation is a corporate foundation. This is consistent with the risk register, which is held at 'medium' in the light of the long-term commitment from the Unite Group Board and the asset-based income stream.

Going concern

The Board intends to change its status to that of a Charitable Incorporated Organisation (CIO) by end September 2022 and therefore the Trust will not be in existence 12 months from the date of approval for these accounts.

For the purposes of the transfer of assets and continuation of charitable activity as the Trust transitions into the CIO, 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 not entirely dependent upon a recurrent donation from Unite for its income. In addition to the distribution income from USAF, Unite has provided the Trust with an indication of a 4 year funding programme from academic year 2022/23 to 2026 undertaking. 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.

Fundraising

The Trust does not utilise the services of professional fundraisers or commercial participators and no material expenditure was incurred in the raising of charitable funds. The majority of fundraised income year on year comes from the support of principal donor Unite Students. However no monies were received in donation from the Unite Group during year ended 30 September 2021; the commitment for support in this academic year having been recognised in 2019/20.

Fundraised income of £1,862 was received in year. In April 2021 the Foundation embarked on its inaugural annual community fundraising activity – All Things S=Equal – encouraging supporters to watch a film sequel and donate £2. Promotion was exclusively online via social media channels with donors able to give securely and with confidence over established platforms. Additionally,

some sponsorship monies linked to supporters of the charity undertaking the Virgin London Marathon were received in advance of the event.

Plans for the future

To mark the 10th birthday of the Unite Foundation the Trustees have signed off on an ambitious five year strategy with four key themes and related goals we will be working towards.

+ Community - For all estranged and care experienced students to feel united by a sense of community.

This will be something that takes shape over time, led by students themselves, naturally. In 21/22 we'll be working with students at universities across the country to identify what 'community' means or feels like and how we can begin to facilitate the growth of that on a large scale.

The long term goal is that estranged and care experienced students feel better connected, become recognised in wider society without stigma and can pull together when they want to, to effect change that will benefit all estranged and care experienced young people at university.

+ A home at university - All estranged and care experienced students have the choice to go to university safe in the knowledge that they will have a secure home.

Our students say that having a safe and secure home at university means they can make the most of the full university experience. Our data also tells us that the provision of a home at university – the security it provides and the financial stress it alleviates – has a strong impact on continuation rates for this group of students.

Over the next 3 years we're going to be increasing the number of scholarships we deliver, launching a pilot scheme to explore new funding models. We'll be building an evidence base using consistent data to make the case for the provision of a home at university for all estranged and care experienced students.

The goal is that by the 2026/27 academic year free accommodation for estranged and care experienced students is provided as standard support across all UK universities.

+ Removing roadblocks - For students to drive change in higher education so that all estranged and care experienced students can secure and maintain a home throughout university and beyond.

Being able to secure and maintain a home through university – and beyond – is challenging for students without any family support. It costs a lot of money and things other students rely on their family for e.g. providing a guarantor, are not straightforward. Some students feel they need to be preparing to secure a home after university, from the day they join.

In 21/22, students will be forming the This is Us campaign group. They'll be telling us what needs to change – they know better than anyone – and be at the forefront of campaign activity, supported by our team.

The goal is for This is Us to become recognised as a credible campaigning group, driving necessary change for all estranged and care experienced students.

+ Bespoke opportunities - To deliver a variety of paid employment opportunities for Unite Foundation students.

Being armed with a strengthened CV, real world work experience and a list of industry contacts is important for those next steps after graduation – one step closer to your chosen career and securing an income to afford your own home.

This year, we'll be aiming to partner up with an organisation who will work with us to provide bespoke, paid opportunities for students on the Unite Foundation scholarship and map out an effective employment model.

The goal is that, by 2026, we will have broadened out our network of employment partners to deliver more opportunities, direct to estranged and care experienced students.

This all adds up to = A Home for Life

Students are freed up to enjoy everything that university offers and make the most of university life, safe in the knowledge that they have a secure home.

Structure, governance and management

The Trust Deed states that a minimum of three Trustees shall be appointed, with any two Trustees forming a quorum. Historical practice has been for three Trustees to also be employees of the Unite Group, sitting alongside Board members whose combined skills, knowledge and expertise reflect the environment and charitable focus of the Trust. The Board agreed to increase the quorum to consist of three Trustees, to include a non-Unite Group Trustee. The Trustees are appointed, in accordance with the Trust Deed, by a resolution of the Board of Trustees passed at a special meeting having been identified through open recruitment targeting skills identified within the Board skills audit. 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' delegate day-to-day management of the charity to the Director (Fiona Ellison, appointed January 2021). A scheme of delegation sets out the relationship between Chair, Board, Director and team identifying operational and reporting responsibilities.

The organisation is an unincorporated charity registered as a charity on 21 May 2012 in England and Wales.

The charity is constituted under a trust deed dated 7 December 2011.

All trustees give their time voluntarily and receive no benefits from the charity. No Trustee expenses were incurred or reclaimed from the charity within the year.

Trustee induction and training

The Trust's policy on induction details that on joining the Board new trustees are supplied with documentation covering organisational structure, practice and governance including:

- Vision, Mission and Values; Strategic and Business plans; risk register
- Annual Report and Accounts and Impact Report
- Documentation regarding the relationship with and support provided by Unite Students
- Deed of Trust & Governance document along with Charity Commission guidance [‘The Essential Trustee’](#) and [‘A Guide to Corporate Foundations’](#), [Charity Governance Code](#) and [Charity Trustee Welcome Pack](#)
- Role descriptions for Trustees and Minutes and papers for the Board and Committee meetings in the previous 12 months
- Code of Conduct and Conflict of Interest policy plus Scheme of Delegation
- Organisation structure, contact details for the Director and other staff, list of current trustees and contact details

In addition new trustees have introductory meetings where possible with officers, beneficiaries and partners to familiarise themselves with key aspects of the charity's operations.

Chair	Informal briefings on the role and values of the Unite Foundation, governance, strategic overview, future planning.
Board	Participation in a Board meeting as an observer.
Director	Overview of current strategic cycle of work as well as support available
University partner	Demonstrating the impact of Foundation activity within HE sector.
Operational team	Understanding operational practice, insight, communications.

Trustees are made aware of training opportunities provided by NCVO on a monthly basis as part of regular communication and have access to the Chair to discuss development needs. The newly formed Governance sub Committee has set out a programme for Board effectiveness reviews.

Related parties and relationships with other organisations

The Foundation works in partnership with Unite Students, and each of the universities in the network, to support the welfare and wellbeing of scholarship students. This extends to shared 'case working' in the event of a student experiencing difficulty navigating any aspect of their university experience.

As detailed above, historical practice has been for three Trustees to also be employees of the Unite Group though each acts in a personal capacity on the Board and is subject to standard policies on conflict of interest.

The charity sits on the Care Leavers & Estranged Students in HE group; a gathering of public, voluntary and organisational stakeholders with shared goals. No party exerts strategic control over any other within this group.

Remuneration policy for key management personnel

The pay and remuneration for key management personnel is benchmarked to voluntary sector levels using national salary surveys. The Board determines Director level pay, with operational team members benefit being determined by the Director according to the scheme of delegation.

Statement of responsibilities of the Trustees

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 charity's financial activities during the period and of its financial position at the end of the period. In preparing financial statements giving a true and fair view, the Trustees should follow best practice and:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The Trustees are responsible for keeping 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. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate 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.

Auditor

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

The Trustees' annual report has been approved by the Trustees on 14 March 2022 and signed on their behalf by

Shan Wareing
Chair

Independent auditor's report

To the trustees of

The Unite Foundation

Opinion

We have audited the financial statements of The Unite Foundation (the 'charity') for the year ended 30 September 2021 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charity's affairs as at 30 September 2021 and of its incoming resources and application of resources, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Charities Act 2011 and of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended)

Basis for opinion

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

Emphasis of matter – going concern

Without modifying our opinion, we draw attention to the disclosures in the trustees' annual report and note 1 of the financial statements that it is the trustees' intention to transfer all its assets and liabilities to a newly formed charitable incorporated organisation 'The Unite Foundation' on 30 September 2022 and the charity's ongoing operations will continue within this entity. As a consequence, the financial statements have been prepared on a basis other than as a going concern although no adjustments were required as a result.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Independent auditor's report

To the trustees of

The Unite Foundation

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 contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- The information given in the trustees' annual report is inconsistent in any material respect with the financial statements;
- 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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, 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.

Independent auditor's report

To the trustees of

The Unite Foundation

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under that Act.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Independent auditor's report

To the trustees of

The Unite Foundation

- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the 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.

25 March 2022

Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

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

The Unite Foundation

Statement of financial activities

For the year ended 30 September 2021

	Note	Unrestricted £	Endowment £	2021 Total £	Unrestricted £	Endowment £	2020 Total £
Income from:							
Donations	2	1,862	-	1,862	3,021,867	-	3,021,867
Investments	3	212,895	-	212,895	93,973	-	93,973
		<u>214,757</u>	<u>-</u>	<u>214,757</u>	<u>3,115,840</u>	<u>-</u>	<u>3,115,840</u>
Expenditure on:							
Charitable activity							
Grant making	4	1,820,409	-	1,820,409	1,947,178	-	1,947,178
Total expenditure		<u>1,820,409</u>	<u>-</u>	<u>1,820,409</u>	<u>1,947,178</u>	<u>-</u>	<u>1,947,178</u>
Net (expenditure) / income before net gains / (losses) on investments		(1,605,652)	-	(1,605,652)	1,168,662	-	1,168,662
Net gains / (losses) on investments		-	86,705	86,705	-	(169,281)	(169,281)
Net movement in funds		(1,605,652)	86,705	(1,518,947)	1,168,662	(169,281)	999,381
Reconciliation of funds:							
Total funds brought forward		2,487,968	5,635,838	8,123,806	1,319,306	5,805,119	7,124,425
Total funds carried forward		<u>882,316</u>	<u>5,722,543</u>	<u>6,604,859</u>	<u>2,487,968</u>	<u>5,635,838</u>	<u>8,123,806</u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 17 to the financial statements.

The Unite Foundation

Balance sheet

As at 30 September 2021

	Note	£	2021 £	£	2020 £
Fixed assets:					
Investments	10		5,722,543		5,635,838
			<hr/>		<hr/>
			5,722,543		5,635,838
Current assets:					
Debtors	11	27,562		2,440,942	
Cash at bank and in hand		1,023,854		234,003	
			<hr/>	<hr/>	
			1,051,416	2,674,945	
Liabilities:					
Creditors: amounts falling due within one year	12	(169,100)		(186,977)	
			<hr/>	<hr/>	
Net current assets			882,316		2,487,968
			<hr/>		<hr/>
Total net assets			6,604,859		8,123,806
			<hr/> <hr/>		<hr/> <hr/>
The funds of the charity:	13				
General funds		882,316		2,487,968	
Endowment fund		5,722,543		5,635,838	
			<hr/>	<hr/>	
Total charity funds			6,604,859		8,123,806
			<hr/> <hr/>		<hr/> <hr/>

Approved by the trustees on 14 March 2022 and signed on their behalf by

Shan Wareing
Chair

The Unite Foundation

Statement of cash flows

For the year ended 30 September 2021

	2021		2020
	£	£	£
Cash flows from operating activities			
Net (expenditure)/ income for the reporting period (as per the statement of financial activities)	(1,605,652)		1,168,662
Dividends from investments	(212,895)		(93,973)
Decrease/ (increase) in debtors	2,413,380		(1,995,065)
Decrease/ (increase) in creditors	(17,877)		90,519
		<hr/>	<hr/>
Net cash provided by operating activities		576,956	(829,857)
Cash flows from investing activities:			
Dividends from investments	212,895		93,973
	<hr/>		<hr/>
Net cash provided by / (used in) investing activities		212,895	93,973
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		789,851	(735,884)
Cash and cash equivalents at the beginning of the year		234,003	969,887
		<hr/>	<hr/>
Cash and cash equivalents at the end of the year		1,023,854	234,003
		<hr/> <hr/>	<hr/> <hr/>

1 Accounting policies

a) Statutory information

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 registered office address is South Quay House, Temple Back, BRISTOL, BS1 6FL

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

1 Accounting policies (continued)

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

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

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

There are no key judgements that the charity has made which have a significant effect on the accounts. The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

d) Going concern

The Trust as an entity is not a going concern as we intend to close it, but its activities will be transferred to the new CIO so are continuing. The trustees confirm that, having considered our expectations and intentions for at least the 12 months from the date the accounts are signed, they have a reasonable expectation of receiving adequate resources to continue operations within the new CIO for the foreseeable future.

1 Accounting policies (continued)

e) Income

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

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

f) Donations of services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102).

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

g) Dividend Income

Dividend income is received on investment units held in USAF. Income is recognised at the earlier of when the dividend is committed and when it is received.

h) Fund accounting

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

Endowment funds are units held with USAF which were donated with the condition that the original donor has first right of refusal in the event of sale. Investment income relating to this endowment fund is unrestricted and can be used in the furtherance of the charitable objectives.

1 Accounting policies (continued)

i) Expenditure and irrecoverable VAT

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

- Grant making expenditure relates to the costs incurred by the charity in supporting student rental payments and bursaries relating to the charitable objectives of the Foundation.
- Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.
- Support costs represents those items not falling into any other heading

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

j) Grants payable

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.

k) Operating leases

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

1 Accounting policies (continued)

l) Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading “Net gains/(losses) on investments” in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

m) Debtors

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

n) Cash at bank and in hand

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

o) Creditors and provisions

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

p) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2 Income from donations

	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Total £
Grants	1,862	-	1,862	3,021,867	-	3,021,867
	<u>1,862</u>	<u>-</u>	<u>1,862</u>	<u>3,021,867</u>	<u>-</u>	<u>3,021,867</u>
	<u><u>1,862</u></u>	<u><u>-</u></u>	<u><u>1,862</u></u>	<u><u>3,021,867</u></u>	<u><u>-</u></u>	<u><u>3,021,867</u></u>

The Trust received total grant income of £1,862 in the year (30 September 2020: £3,021,867). This decrease is a result of a commitment for 2020/21 grant funding being received during the previous year.

3 Income from investments

	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Total £
Dividend income	212,895	-	212,895	93,973	-	93,973
	<u>212,895</u>	<u>-</u>	<u>212,895</u>	<u>93,973</u>	<u>-</u>	<u>93,973</u>
	<u><u>212,895</u></u>	<u><u>-</u></u>	<u><u>212,895</u></u>	<u><u>93,973</u></u>	<u><u>-</u></u>	<u><u>93,973</u></u>

All income from investments is unrestricted.

4a Analysis of expenditure (current year)

	<u>Charitable activity</u>	Governance costs	Support costs	2021 Total
	Grant making £	£	£	£
Staff costs recharge (Note 7)	-	-	154,014	154,014
Communications	-	-	31,459	31,459
Student bursaries	(1,000)	-	-	(1,000)
Student rental payments	1,601,693	-	-	1,601,693
Research	-	323	-	323
Other	6,895	-	909	7,804
Auditor's remuneration – audit	-	11,800	-	11,800
Other governance expenses	-	14,316	-	14,316
	<u>1,607,588</u>	<u>26,439</u>	<u>186,382</u>	<u>1,820,409</u>
Support costs	186,382	-	(186,382)	-
Governance costs	26,439	(26,439)	-	-
Total expenditure 2021	<u>1,820,409</u>	<u>-</u>	<u>-</u>	<u>1,820,409</u>
Total expenditure 2020	<u>1,947,178</u>	<u>-</u>	<u>-</u>	

4b Analysis of expenditure (prior year)

	<u>Charitable activity</u>	Governance	Support costs	2020 Total
	Grant making £	costs £	£	£
Staff costs recharge (Note 7)	-	-	176,610	176,610
Communications	-	-	34,394	34,394
Student bursaries	40,999	-	-	40,999
Student rental payments	1,630,659	-	-	1,630,659
Research	-	-	25,283	25,283
Other	-	-	29,500	29,500
Auditor's remuneration – audit	-	9,000	-	9,000
Trustee's travel expenses	-	-	-	-
Other governance expenses	-	733	-	733
	<u>1,671,658</u>	<u>9,733</u>	<u>265,787</u>	<u>1,947,178</u>
Support costs	265,787	-	(265,787)	-
Governance costs	9,733	(9,733)	-	-
Total expenditure 2020	<u>1,947,178</u>	<u>-</u>	<u>-</u>	<u>1,947,178</u>

5a Grant making (current year)

	Grants to institutions £	Grants to individuals £	Support costs £	2021 £	2020 £
Cost					
Student rental payments	-	1,601,693	-	1,601,693	1,630,659
Student Bursaries	-	(1,000)	-	(1,000)	40,999
At the end of the year	-	1,600,693	-	1,600,693	1,671,658

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.

5b Grant making (prior year)

	Grants to institutions £	Grants to individuals £	Support costs £	2020 £
Cost				
Student rental payments	-	1,630,659	-	1,630,659
Student Bursaries	-	40,999	-	40,999
At the end of the year	-	1,671,658	-	1,671,658

6 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2021	2020
	£	£
Auditor's remuneration (excluding VAT):		
Audit Current Year	8,200	9,000
Audit Prior Year	1,587	-
Other services	-	-
	<u> </u>	<u> </u>

7 Analysis of staff costs recharge, trustee remuneration and expenses

The charity does not legally employ any staff; Unite Students doing so on its behalf. A recharge relating to the costs for staff working solely for the charity is received from Unite Student.

Staff costs recharges were as follows:

	2021	2020
	£	£
Salaries and wages	131,208	152,599
Social security costs	10,106	13,378
Other pension costs	12,700	10,633
	<u> </u>	<u> </u>
	154,014	176,610

The charity received recharges for four members of staff during the year (2020: four).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £55 (2020: £nil) incurred by the Chair (2020: none) relating to a membership of the Association of Chairs.

8 Related party transactions

The Unite Foundation recognised no donation from the Unite Group during the year (2020: £3,021,867) as it was committed and provided for in the prior year.

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. At 30 September 2021, the units have increased in value to £5,722,543 (2020: £5,635,838). Nothing is due from the Trust to Unite in respect of this donation.

At 30 September 2021, £88,222 was due to Unite (2020: £18,955) in relation to reimbursed costs.

At 30 September 2021, £nil was due from Unite (2020: £1,900,000) in relation to accrued donations which remained unpaid at the year-end.

Three Unite Foundation trustees are also Unite Students employees. On appointment to the Foundation Board each Trustee signs the Code of Conduct, additionally, all Foundation business is prefaced with a consideration of conflict with individual members absenting from areas of discussion/decision making accordingly.

9 Taxation

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

The Unite Foundation

Notes to the financial statements

For the year ended 30 September 2021

10 Listed investments

	2021	2020
	£	£
Fair value at the start of the year	5,635,838	5,805,119
Net gain / (loss) on change in fair value	86,705	(169,281)
	<u>5,722,543</u>	<u>5,635,838</u>

Investments comprise:

	2021	2020
	£	£
The Unite UK Student Accommodation Fund	5,722,543	5,635,838
	<u>5,722,543</u>	<u>5,635,838</u>

The Unite Foundation

Notes to the financial statements

For the year ended 30 September 2021

11 Debtors

	2021	2020
	£	£
Prepayments	27,562	540,942
Accrued income	-	1,900,000
	27,562	2,440,942

12 Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	88,222	18,955
Accruals	80,878	168,022
	169,100	186,977

13a Movements in funds (current year)

	At 1 October 2020 £	Income & gains £	Expenditure & losses £	Transfers £	At 30 September 2021 £
General funds	2,487,968	214,757	(1,820,409)	-	882,316
Endowment fund	5,635,838	86,705	-	-	5,722,543
Total funds	8,123,806	301,462	(1,820,409)	-	6,604,859

13b Movements in funds (prior year)

	At 1 October 2019 £	Income & gains £	Expenditure & losses £	Transfers £	At 30 September 2020 £
General funds	1,319,306	3,115,840	(1,947,178)	-	2,487,968
Endowment fund	5,805,119	-	(169,281)	-	5,635,838
Total funds	7,124,425	3,115,840	(2,116,459)	-	8,123,806

14a Analysis of net assets between funds (current year)

	General unrestricted £	Endowment restricted £	Total funds £
Investments	-	5,722,543	5,722,543
Net current assets	882,316	-	882,316
	<hr/>	<hr/>	<hr/>
Net assets at 30 September 2021	882,316	5,722,543	6,604,859
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

14b Analysis of net assets between funds (prior year)

	General unrestricted £	Endowment restricted £	Total funds £
Investments	-	5,635,838	5,635,838
Net current assets	2,487,968	-	2,487,968
	<hr/>	<hr/>	<hr/>
Net assets at 30 September 2020	2,487,968	5,635,838	8,123,806
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

15 Contingent liabilities

At 30 September 2021, the Trust has outstanding commitments of £864,148 (30 September 2020: £2,022,406) in respect of scholarships relating to the 2021/22 academic year which were granted prior to 30 September 2021 where the conditions associated with the grant have not yet been met, refer to expenditure accounting policy within note 1 to the financial statements. The timing of settlement of these commitments are within the next 12 months until the end of the 2021/22 academic year. Funding of this commitment will be from cash donations received, the Foundation's existing cash balance and distributions received from the investment in USAF units.