

UFI VOCTECH TRUST
(A Charitable Company Limited by Guarantee)
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 December 2020

Company Registration Number: 3658378
Registered Charity Number: 1081028

UFI VOCTECH TRUST

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UFI VOCTECH TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

FOR THE YEAR ENDED 31 December 2020

Company registration number 3658378

Charity registration number 1081028

Registered office First Floor, 10 Queen Street Place
LONDON
EC4R 1BE

Trustees	D Gill	Chair
	T Wilson	Resigned 10 March 2021
	J Lambdon	
	D Ryder	
	C Kirby	
	J Scott	
	A Cullen	
	A Bravo	
	P Fresia	Appointed 6 January 2020
	J Greenridge	Appointed 6 October 2020
	V M Dias	Resigned 6 January 2021
	B Davies MBE	Resigned 6 October 2020
	R W Harrison	Resigned 10 March 2020

Bankers Natwest Bank plc
9th Floor, 280 Bishopsgate
LONDON, EC2M 4RB

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

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

Investment Managers	Vanguard	Lane Clark & Peacock
	JPMorgan House	30 Old Burlington Street
	DUBLIN 1 Ireland	LONDON, W15 3NN
	Ruffer LLP	Cordea Savills
	80 Victoria Street	33 Margaret Street
	LONDON, SW1E 5JL	LONDON, W1G OJD
	IFM Investors	Mayfair Capital Investment Management Ltd
	3 rd Floor, 60 Gresham Street	2 Cavendish Square
	LONDON, EC2V 7BB	LONDON W1G 0PU
	Northern Trust	Credit Suisse (UK) Limited
	Georges Court	One Cabot Square
	54-62 Townsend Street	London
	DUBLIN 2 Ireland	E14 4QJ

UFI VOCTECH TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees present their report and the audited financial statements for the year ended 31 December 2020.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association 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

Ufi VocTech Trust (previously Ufi Charitable Trust) is a charitable company limited by guarantee and is governed by a memorandum and articles of association, which were last amended on 4 December 2018. The Charity changed its name in March 2020 to better reflect its purpose and activities. Its objects remain:

- the advancement of the education of the public; and
- the promotion of industry and commerce for the public benefit;

The objects of Ufi VocTech Trust are pursued through the provision of grant and venture funding to third party organisations. The aim is to help improve vocational skills in the UK's workforce by funding digital solutions for vocational learning. Ufi only funds activity that is 'scaleable' through technology, i.e. projects that use digital methods to widen access to vocational learning, projects that increase engagement or projects that have the potential to significantly improve learner outcomes. While digital learning solutions are potentially open to all, the charity is especially keen to assist digital projects which involve industries and sectors where training is not easily available and there are significant skills shortages, post school learners that have failed to be engaged by the education system or those or who have been unable to engage with traditional methods of vocational learning for reasons of geography, social constraints or lack of employer or market engagement. Ufi aims to create a community of developers and learning providers that are working at the cutting edge of learning technologies to ensure that vocational learning becomes an attractive market for future investment.

To achieve a significant change in vocational learning Ufi seeks to support ideas and projects that bring a new perspective on how to design, deliver or accredit learning that builds on the current market rather than competing with it. Ufi believes that digital tools can enhance and augment traditional teaching and training methods, leading to better skills and more skills for more people.

Ufi funding is focused on three areas, recognising that innovation will happen at different points. These are:

- Seeding the market - by supporting emerging digital vocational learning innovation at an early stage of either the technology or the learning approach
- Market test projects – those that engage learners and employers to showcase how the idea works in practice
- Large scale partnerships – activity that is near to market to demonstrate that the use of digital tech can deliver significant scale

Ufi aims to build a portfolio of projects and investments that cover a range of risk and scale and provides opportunities for ideas to receive support from early stage right through to market. All Ufi projects represent 'demonstration through doing', providing practical solutions to problems and challenges.

Ufi has three mechanisms to achieve the above:

- Grant funding calls
- Working with partners to address specific challenges
- Commercial investment - in line with our charitable aims.

Ufi also has an important role to influence change at a strategic level. To achieve this aim Ufi:

- Highlights best practice wherever we find it
- Ensures that our funded projects get wide publicity so that others can learn from and adopt good ideas as they develop

- Engages with thought leaders in digital vocational learning to keep our own ideas at the cutting edge
- Seeks to influence public policy on adult vocational learning by providing examples of successful change.

The trustees review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the trustees ensure the charity's aims, objectives and activities remained focused on its stated purposes.

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.

Achievements and performance

The charity's main activities and who it tries to help are described below. All its charitable activities focus on grant-giving and venture investment to help improve vocational skills in the UK's workforce by funding digital solutions for vocational learning. These are undertaken to further Ufi's charitable purposes for the public benefit.

In the year we published the findings of an independent evaluation of the impact of our first 5 years as a grant funding charity. The research carried out involved 59 closed Ufi funded projects, representing 250,000 beneficiaries in total. It showed that Ufi funding had an impact within the vocational education sector via three main routes:

- Impact at an organisational level: Through the increased digitisation of organisations, development of new working models, technical experience, and market knowledge.
- Impact at scale to improve learner outcomes: By improving retention, enabling wide-scale access to learning in the workplace or at times that were convenient for learners.
- Impact across the digital vocational sector: Through enabling experimentation with cutting-edge technology, supporting projects to develop concepts and solutions that have wide applicability, cross-sector relevance, and demonstrate new technologies.

Ufi was also singled out for specific commendation by those involved for its uniqueness as a funding organisation. It was heavily praised because of:

- The flexible, non-bureaucratic nature of the funding and rounded impact offered.
- Reputational benefits of Ufi's expertise.
- Support for progression of ideas and projects and supportive approach to intellectual property (IP) ownership.
- Openness and understanding; enrichment support; providing challenge when required.
- Influence on educational technology development.

The evaluation is a strong endorsement of our working model and approach but also contains recommendations for potential future development.

In terms of grant activity in the year £2.1m was awarded in grant funding to 52 new projects and we paid grant instalments of £4.592m to 101 projects across the twelve live cohorts of projects.

In an unprecedented year, the trustees acted quickly in response to the Covid-19 lockdown in March. The trustees made a decision not to run the planned VocTech Impact grant, but rather to support the sector to be able to rapidly transition to digital delivery methods. Ufi launched VocTech Now, an immediate support fund designed to help training providers and FE Colleges rapidly implement digital tools so that learners who could no longer access training were not disadvantaged as a result of this lockdown. There was a particular focus on training for key workers.

In total 33 projects received funding of up to £25k each to transition to digital delivery methods. The rapid deployment funding combined with access to expertise and a virtual 'community of practice' has had a significant positive impact on learners who had their studies interrupted. It has also supported the adoption of digital technology and blended learning for the longer term – supporting the upskilling of staff to adopt and deliver using technology. The funding also supported training providers to expand their online offering.

For example;

- Open Awards developed a model for remote assessment which meant that the 263 learners they had on face-to-face courses were able to complete their functional skills assessments and get the qualifications they deserved.
- Lancaster & Morecambe College revolutionised their approach to online and blended delivery from a starting point of having no externally available online provision. A whole organisational approach has been adopted.
- Action for People moved their training provision for self-employed care workers online.
- Shelter were supported to transition to digital delivery of professional training to 5,000 homelessness and housing support workers across the UK.
- The CPC Link Ltd developed an app for drivers of goods vehicles and passenger vehicles (LGV & PSC's) to deliver the Periodic Driver Certificate of Professional Competence course remotely. This meant drivers were able to get the training and evidence they needed to keep their licenses.

We also supported the development of resources to support training providers across the sector and in adult and community education to transition to online in partnership with several organisations, including Colegau Cymru (Colleges Wales), the Association of Employment and Learning Providers (AELP), GTA England, the Association of Colleges (AoC), and HOLEX.

Ufi also delivered a highly practical, free, webinar series, responding to the immediate crisis facing trainers operating in a digital world with which they were unfamiliar. Twenty-five online 'How To' webinars took place covering 13 essential topics with over 1,500 attendees. The first webinar was delivered within one week of the start of the March lockdown and feedback was extremely positive.

As well as our covid-response work, during the year we focused on supporting the delivery of our existing project portfolio and our VocTech Seed 2020 open funding call, awarding grants to 12 projects with early-stage ideas which have the potential to transform how vocational learning happens.

Successful grant recipients have received significant expert support to ensure that their projects run smoothly and effectively. Projects have taken part in webinars with experts, networking events, and activities with their peers to facilitate learning and sharing and give every project the best chance of success. Feedback from grantees on the added value that Ufi offers as a funder has been extremely positive.

It was a delight to work with your team. I wanted to write to simply say thank you for your support. We have built a great platform for the youth sector and this would not have been possible without the support of Ufi. We now plan to scale up and reach as many adult learners as possible. We shall continue to explore our partnership and continue to wax lyrical about the role of Ufi in supporting our work.

Leigh Middleton, CEO, National Youth Agency

This is the best thing about Ufi as a funder – the amount of support, networking, inter-related opportunities, etc. So much more than just financial support!

Katie Cockburn, Professional Services Director, WAMITAB

As very regular recipients of grant funding, we have found the Ufi grant management process to be truly unique! Though we have very successfully delivered numerous large and small grants over many years we found that the monthly meetings with our project manager helped us to maintain our focus but more importantly to build a meaningful funder/grantee relationship which we feel has helped us to engender an in-depth understanding of our project's various challenges, successes, and future trajectory.

Simon Roper, CEO, Ambios

Beyond the obvious benefits of making our prototype possible through grant funding, Ufi has given us great project management support with a focused enrichment programme to give us the expert help we lacked.

Russell Watkins, Co-founder, Sempai

Despite the challenges of 2020 our portfolio of projects have pressed forward and for many, the broader societal recognition of the potential for delivering learning digitally has created opportunities. Some of the highlights are shared here.

eCom Scotland's Assessing Reality project increased awareness and use of VR assessments and training, demonstrating how this can be used for vocational learning through over 100 presentations to over 25,000 people. Working with the

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Scottish Qualifications Authority (SQA) as partners, involvement with the project led to SQA taking foundational steps to integrate the acceptance of VR data as an acceptable form of digital evidence for the sector as a whole. The ability to share assessments from a distance at scale, through a hands-on approach that is relevant and transparent is a huge positive for many organisations, especially since lockdown.

We have also worked with the Marine Society and Sea Cadets (MSSC) on their Sea Cadets Portal, which since its inception has been seen as a key part of their digital transformation. This became even more prescient in 2020 with a rapid expansion of the portal to reach as many young people as possible during lockdown and to provide a valuable link to the Sea Cadet community. They have had over 20,000 cadets engaging with the portal and it has allowed them to keep their community active in other ways when going out to train on boats became impossible.

"Recently one of my cadets showed an interest in doing a basic marine engineering course through the Sea Cadets Portal. After using the search code I managed to find a virtual course that was not even in our district or area. Having reached out to the course instructor and asked if she could attend, the cadet was accepted and just this weekend completed her basic marine engineering course and passed. This only happened because of the Portal!"

Blackburn College developed VR and AR applications to support their textiles curriculum. The purpose was to introduce students to the components and safe usage of industrial sewing machines and also to give a VR walk-through of a real factory. The latter intends to help improve the perception of what a factory workplace is like as this had been identified as a significant barrier to people seeking work in this industry. It also brought an unexpected benefit as it has already helped the factory owners showcase their site when Covid restrictions meant they could not invite potential clients on-site.

If you would like more information on the projects we have funded over the last year please see the website:
www.ufi.co.uk

Programme related investments

Ufi recognises the importance of the availability of financial capital and support for organisations which are developing VocTech products and services so that they may bring them to market and grow their reach and impact to the widest adult vocational learning audience.

In 2019 Ufi commenced a programme to support early stage ventures which advance the charity's purposes through making equity and loan investments and providing engaged advice and support, "Ufi Ventures". This is an exciting area for Ufi, a significant component of our Theory of Change and reflects the ambition we hold to have a positive impact on adult vocational learning at scale.

Ufi Ventures investments are programme related investments made under a detailed investment policy and selection criteria. Each investment, and the portfolio as a whole, aims to demonstrate positive effect on the following outcomes:

Benefit these Stakeholders	By contributing to these outcomes
Adults in the UK	<ul style="list-style-type: none">• Greater access to and progress in work through improved skills
Employers in the UK	<ul style="list-style-type: none">• Improved business performance through increased workforce skills
VocTech sector	<ul style="list-style-type: none">• Increased financial investment leading to growth

The board has established a Ventures Committee which considers proposals for investment under Ufi Ventures and recommends suitable investments to the board to approve. In 2020 the board approved three new investments: SonicJobs, Learning Labs, and Bodyswaps, and also one further investment into an existing portfolio company, Learnerbly although this had not been completed at the year end. While not part of the Ventures portfolio, an existing convertible grant agreement with Fluence met the requirements for conversion into a shareholding and the board approved this conversion although this had not been completed at the year end.

Ufi provides each investee with an experienced individual as a 'Venture Partner' who typically attends the investee's board meetings, monitoring performance and identifying support needs. The Ventures Committee receives a monthly

dashboard update on the activity and a Portfolio Review and Valuation report is presented to the Committee every three months.

Beneficiaries of our services

The Ufi vision is to create a world where vocational skills are celebrated and valued by all as the engine upon which the UK economy is built and where development of those skills is made possible by the best technology solutions, providing easier access, greater opportunity and better outcomes for all. Ufi supports the development of digital technologies that help us all obtain the vocational skills we need to get more out of our working lives. We do this by:

- Providing funding, expertise and commitment to innovators in vocational technology (VocTech)
- Building an active VocTech community of educators, developers, designers, employers, investors and policy makers, sparking discussion and debate amongst them
- Using our funding to catalyse change in attitude, focus and investment in VocTech in the UK.

Our aim is to use our funding to catalyse change across the UK so that significant scale can be achieved in digital vocational learning for adults. Our long term goal is to support a portfolio of activities that deliver positive change for learners across a wide range of sectors, job roles, geographies and access points and we are especially keen to involve those that have failed to be engaged by the education system or who have less opportunity to access vocational learning. Technology has the potential to work for learners who have disengaged with formal patterns of learning as well as opening up access for learners who have been unable to fit into the traditional classroom model. It also provides the opportunity to reach industries and communities that are geographically too spread out to create a sustainable market using traditional methods.

We only fund activity that can demonstrate that there is the potential for scale; increasing vocational learner numbers through the use of technology. We fund those things that represent practical solutions to existing problems and challenges.

Financial review

During the period the charity generated an income of £0.909m from its investments and cash holdings, and incurred expenditure of £6.707m primarily on the grant making and management of the charity (including investment managers' fees to generate the charity's main source of income). At the end of the year funds carried forward are £52.805m.

The investment portfolio performed well in the year resulting in a gain of £2.898m primarily due to the Charity's global equity and diversified growth fund portfolios. The final value of the portfolio decreased from £55.524m to £51.804m due to the disinvestment of £6.35m to pay grant and operational costs. Funds carried forward are £3.257m ahead of the budget for the year. This will not materially affect the activities of the charity; the funds will remain in the investment portfolio for disinvestment when additional capital is needed to fund future activities.

Investment policy

The Charity trustees retained Lane Clark Peacock LLP (LCP) as their investment consultants to assist on setting the investment strategy over 2020. In December 2020 after a tender process, the Charity trustees appointed Credit Suisse to provide investment services – acting as Investment Advisors and also discretionary Investment Managers in relation to a fixed income portfolio. The investments are monitored by the board at regular intervals during the course of the year. At the year end, the investment portfolio value was £51.804 million.

The Charity initially designed its investment strategy around the expectation that it would be in existence for five years because capital would quickly be used up by grant funding. It became apparent in 2014 that the Charity would be in existence for much longer than originally anticipated, which led to LCP advising that the trustees could accept greater illiquidity and volatility in order to generate higher returns and provide diversification benefits. As a result, the trustees introduced an allocation to property in 2014, and to equities in 2015. These allocations sat alongside a multi-asset portfolio managed by Ruffer. In 2017, the trustees agreed to invest £7.5m in infrastructure which was drawn down in October 2018. A further £1.1m investment in IFM was agreed at the end of 2019. The first half of this was drawn down on 1st April 2020. Following the appointment of Credit Suisse, a new investment policy and strategy has been approved and all funds are in the process of being transferred to a debt and equity portfolio that is 100% ethically and sustainably screened and scored and which seeks to advance Ufi's mission in addition to achieving our required financial returns.

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Under the previous strategy, the Charity adopted a Total Return approach to investment, generating the investment return from income and capital gains/losses. The Charity's aim was to produce the best financial return with an acceptable level of risk. There was an investment objective to achieve a total return above inflation of between 2% and 3% pa. The performance of the Charity's investment portfolio was strong over 2020, returning 8.0%, this was mainly due to the Charity's global equity and diversified growth fund portfolios as the sharp fall in equity markets over the first quarter was followed by a strong rebound over the rest of the year. For comparison, CPI (a measure of inflation) was 0.8% pa at 31 December 2020.

The trustees are committed to investing in a way which is consistent with the Charity's objectives. Therefore, where possible, they will avoid investments in companies or organisations that are seen to conflict with these objectives. In setting the new strategy, the trustees have considered different methods of investment that focus on measurable high-impact solutions, which are in line with the United Nations Sustainable Development Goals ("SDGs") closest to the charity's mission, while also achieving financial objectives. These will include themes of educational and vocational technology, robotics and automation, gender equity and smart cities.

Fundraising policy

The Charity does not engage in public fundraising and does not use professional fundraisers or commercial participators. We nevertheless monitor the relevant fundraising regulations and codes to ensure compliance if relevant. During the year there was no non-compliance of these regulations and codes and the Charity received no complaints relating to its fundraising practice.

Reserves policy and going concern

While the initial view was that the Charity would have a limited life span it is now apparent that it will be in existence for much longer than the five years originally anticipated. It is the view of the trustees that being in existence for longer will maximise the aims and objectives of the Charity.

The reserves policy to date has been to hold assets in secure means whilst providing sufficient liquidity to service successful applications. At the year end the Charity had total reserves of £52.805 million, of which £51.804 million is held within the investment portfolios in order to generate an income to meet its strategic objectives. A balance of funds ("free reserves") is maintained in cash holdings within the investment portfolio which can be transferred quickly to meet ongoing liabilities. This was increased from £1m to £5m in May 2021 as a response to the slump in global economic activity as a result of the pandemic, ensuring that the charity had sufficient cash to meet its payments for the remainder of the year. This balance has since been reduced back to £1m. This policy is considered to be prudent and provides the Trust with adequate liquidity to pursue its funding strategy of providing seed funding for innovative projects and additional sums to take those projects through to the next developmental stage if they are proven to add real innovative benefit to vocational education. The trustees monitor the level of grant commitments and other financial requirements on an on-going basis and ensure that sufficient liquid (free) reserves are available.

The reserves policy will continue to evolve in light of developments in the market in which grants are awarded and the trustees views on how the Charity's aims and objectives can be maximised.

All funds held are unrestricted funds. The trustees have reviewed the level of reserves and financial commitments entered into and consider the charity to be a going concern.

Principal risks and uncertainties

Ufi VocTech Trust is an investment holding charity awarding grants in furtherance of its objects. The key risks facing the charity are:

- 1) Establishing a clear investment strategy for the Charity
- 2) Ensuring that the investment portfolio is managed in accordance with the strategy agreed by the board, and is monitored on a regular basis
- 3) Ensuring that the charity supports high quality educational activities

The unprecedented times we have been through as a result of the Covid-19 pandemic have not changed our key risks. While the crisis significantly impacted the value of the investment portfolio in the first quarter of 2020, Ufi were very well placed to manage this; we already operate as a virtual organisation, we have a balanced investment portfolio providing immediate liquidity and we have the ability to act quickly and review budgeted expenditure making

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adjustments as required. While the spend for VocTech Now (the Ufi crisis response fund) was more immediate than that originally budgeted for VocTech Impact, the total value of grants awarded in the year was considerably reduced and has committed the charity to less expenditure in 2021/2022. The trustees will now review future grant funding in conjunction with the performance of the investment portfolio, which overall made a gain in the year despite the Covid-19 crisis, in order to rebuild the long-term project portfolio and bring grant expenditure back up to the desired level.

The Investment and Audit Committees meet twice a year, or more should the need arise. The board meet 5 times a year. A risk management framework is reviewed at each of these meetings. Regular monitoring reduces the likelihood of any risks significantly affecting the charity and the impact should they do so.

Plans for the future

In 2019 Ufi launched the next Five-Year strategy (2020-2025), which will build on the successes of the 2015-2020 strategy 'Learning Without Walls'. The funding strategy is focussed on supporting innovation in vocational technology, encouraging the development of novel tools and approaches that support good quality adult learning at a significant scale, helping individuals, employers and the education system to benefit from technological developments. This work includes showcasing and supporting the delivery of technological solutions to solve current critical problems. The strategy was reviewed in light of the immediate impact of Covid-19 and the approach and goals reconfirmed. The need for a focus on good technology to support vocational learning, particularly for those who are often underserved in terms of access, opportunity or quality of vocational training, has never been more important.

The trustees aim to continue the development of a spectrum of projects, both early stage and near market, that showcase the best of digital vocational technology and have the potential for significant impact on the scale of people accessing vocational skills. The focus is on the 'unloved', those professions, communities, industries, and skill levels that are undervalued or under supported, where the trustees believe they can have the most significant impact. The aim is to create a community of developers and learning providers that are working at the cutting edge of learning technologies to ensure that vocational learning is seen as a priority and the focus of high quality provision. The trustees will support and invest in projects where Ufi's funding will make a significant difference to the number of people gaining skills and the way in which they learn.

The trustees believe that Ufi is unique in the added value it offers to grant recipients and will continue to ensure the organisation develops and strengthens this aspect of its project management by investing in highly experienced staff and consultants to achieve this aim. Ufi undertook an initial evaluation of the impact of Learning Without Walls and is using the output of this evaluation work to support the ongoing development of funding instruments and support.

Learning from our experience of the grant calls in prior years, we have moved to a programme of two to three grant funding calls per year, and we publish details of these in advance to help applicants understand which call type is right for them. The evaluation of our work highlighted the importance of the way we work with our grant recipients and we will continue to develop our 'grant enrichment' and support model.

As mentioned above under Principal Risks, due to unprecedented times during the Covid-19 pandemic, the trustees made the decision not to launch the VocTech Impact call in 2020, instead, developing an immediate support fund designed to help organisations who need to implement digital tools quickly as a result of the crisis. We also developed webinars and resources to support the sector during a time of great change. Recognising that the landscape for vocational learning has shifted dramatically over the last 12 months, and recognising that the need for flexible and high quality vocational training is critical, Ufi is launching a challenge fund in 2021. This is being developed in collaboration with the adult vocational sector and will address the challenges that have both arisen from and been exacerbated by the Covid-19 pandemic. This approach will continue to focus on learners that are often under-served and will look for solutions to the problems that are occurring as part of the 'digital divide'.

The final pilot phase of VocTech Ignite took place in 2020 and this will now become part of the regular cycle of support offered by Ufi. This is a smaller grant with increased support, aimed at projects that have a strong understanding of the challenge they are looking to tackle, but need some help in scoping how they do it.

As an organisation, Ufi recognises that every action we take has a social impact and we take a thoughtful and an active approach to all that we do. This means that we make proactive decisions about the way we work on a day to day basis – from virtual working, to the venues and spaces we use through to the impact of our investment portfolio.

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Structure, governance and management

The organisation is a charitable company limited by guarantee and is governed by a memorandum and articles of association which were last amended on 4 December 2018. It was registered as a charity on 6 June 2000. All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 5 to the accounts.

The charity is managed by Rebecca Garrod-Waters, the Chief Executive, who works closely with the trustees and senior management team. During 2020 Rebecca has continued to expand and structure the core team in order to ensure that Ufi's reach and benefit is maximised.

Appointment of trustees

Two new trustees joined the board in 2020, appointed via a recruitment agency specifically for the skills they can bring to Ufi. Tom Wilson stepped down as Chair in December but remained an active member of the board until resigning in March 2021.

Trustee induction and training

Trustees are encouraged to attend courses where appropriate and an annual programme of trustee training has been developed. A formal process of induction is in place for all new trustees. When new and significant issues arise, the relevant updates are arranged for trustees during board meetings. Strategy days are held approximately every 12 months or as the need dictates.

Remuneration policy for key management personnel

The pay of the CEO and all staff are reviewed annually and normally increased in accordance with average earnings to reflect a cost of living adjustment. In view of the nature of the charity, the trustees benchmark against pay levels in other charities. The remuneration bench-mark is the mid-point of the range paid for comparable roles in charities of similar activity and size.

Statement of responsibilities of the trustees

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

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

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

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware

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- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

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

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 December 2020 was 13 (2019:11). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

The directors' annual report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

The trustees' report has been approved by the trustees on 9th June 2021 and signed on their behalf by

Dominic Gill
Chair of Trustees

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

UFI VOCTECH TRUST

Opinion

We have audited the financial statements of Ufi VocTech Trust (the 'charitable company') for the year ended 31 December 2020 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 charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Ufi VocTech Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report. We have nothing to report in

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

UFI VOCTECH TRUST

respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

UFI VOCTECH TRUST

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

Joanna Pittman (Senior statutory auditor)

22 June 2021

for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, London, EC1Y 0TL

UFI VocTech Trust

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 December 2020

		2020	2019
	Note	£'000	Restated £'000
Income from:			
Investments		909	1,167
Total income		909	1,167
Expenditure on:			
Raising funds	2	596	686
Charitable activities	2	6,111	5,382
Total expenditure		6,707	6,068
Net expenditure before net gains and losses on investments		(5,798)	(4,901)
Net gains / (losses) on investments		2,898	5,638
Net income / (expenditure) for the year	3	(2,900)	737
Reconciliation of funds:			
Total funds brought forward		55,705	54,968
Total funds carried forward		52,805	55,705

The accompanying accounting policies and notes form an integral part of these financial statements.
All amounts relate to continuing activities. All amounts included in the current and preceding year are unrestricted.

UFI VocTech Trust

Balance sheet

Company number: 3658378

As at 31 December 2020

	Note	£'000	2020 £'000	£'000	2019 £'000
Fixed assets:					
Investments	8		51,804		55,524
Programme Related Investments			750		300
			<u>52,554</u>		<u>55,824</u>
Current assets:					
Debtors	9	223		181	
Cash at bank and in hand		217		109	
		<u>440</u>		<u>290</u>	
Liabilities:					
Creditors: amounts falling due within one year	10	(189)		(409)	
				<u></u>	
Net current (liabilities) /assets			<u>251</u>		<u>(119)</u>
Total net assets			<u><u>52,805</u></u>		<u><u>55,705</u></u>
The funds of the charity:	12a				
Unrestricted income funds:					
Revaluation reserve		12,512		9,736	
General funds		40,293		45,969	
		<u></u>		<u></u>	
Total unrestricted funds			<u>52,805</u>		<u>55,705</u>
Total charity funds			<u><u>52,805</u></u>		<u><u>55,705</u></u>

The financial statements were approved and authorised for issue by the Trustees on 9th June 2021 and were signed below on their behalf by:

Dominic Gill
Trustee

The accompanying notes form an integral part of these financial statements.

UFI VocTech Trust

Statement of cash flows

For the year ended 31 December 2020

	Note	2020	2019
		£'000	Restated £'000
Cash flows from operating activities			
Net cash used in operating activities	16	(6,969)	(5,918)
Cash flows from investing activities:			
Dividends and interest from investments		909	1,167
Proceeds from the sale of fixed assets		20,061	21,525
Purchase of investments		(13,443)	(16,484)
Purchase of programme related investments		(450)	(300)
Net cash provided by investing activities		7,077	5,908
Change in cash and cash equivalents in the year		108	(10)
Cash and cash equivalents at the beginning of the year		109	119
Cash and cash equivalents at the end of the year		217	109

1 Accounting policies

a) Statutory information

Ufi VocTech Trust is a charitable company limited by guarantee and is incorporated in England. The registered office address and principal place of business is First Floor, 10 Queen Street Place, London EC4R 1BE.

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 Companies Act 2006. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

c) Public benefit entity

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

d) Going concern

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

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.

e) Fund accounting

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

f) Incoming resources

Incoming resources from generated funds consists of investment income (interest and other income receivable). Income is recognised on an accruals accounting basis when the charity is entitled to the receipt.

g) Expenditure

All expenditure is accounted for on an accruals basis and allocated to the appropriate heading of the SOFA.

Charitable activities expenditure enables the charity to meet its charitable aims and objectives. Governance costs are direct costs incurred to administer the charity and to comply with statutory requirements. These costs include audit and legal advice for trustees.

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

Costs of raising funds	25%
Charitable activities	75%

h) Grants payable

Grants awarded are charged to the SOFA in the period in which the charity becomes committed to their payment. The charity has a process for evaluating grant milestones and only makes further payments once it is satisfied with the progress of the grantee. Where grants are issued with the embedded right to convert, the investment is initially expended as a grant with subsequent consideration at each balance sheet date of whether there is an asset that can be measured.

1 Accounting policies (continued)

i) Investments

Investments are valued at bid value as set out in the SORP. Gains and losses are recognised in the statement of financial activities and the revaluation reserve.

Programme Related Investment

Programme related investments are valued at fair value or cost less impairment if fair value cannot be reliably measured, as set out in the SORP. Gains and losses are recognised in the statement of financial activities and the revaluation reserve.

j) 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.

k) 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.

l) 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.

m) Revaluation reserve

The revaluation reserve reflects the unrealised movement on the market value of the investment portfolio.

n) Pensions: defined contribution

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the charity to the fund. The charity has no liability under the scheme other than for the payment of those contributions.

2a Analysis of expenditure (current year)

	Direct costs £'000	Grant making £'000	Governance costs £'000	Support costs £'000	2020 Total £'000	2019 Total Restated £'000
Cost of raising funds						
Investment management costs	522	–	28	46	596	686
Charitable activities						
Advancement of skills and qualifications	1,297	4,592	84	138	6,111	5,382
Total expenditure 2020	1,819	4,592	112	184	6,707	
Total expenditure 2019	1,744	3,705	139	187		6,068

Governance costs are direct costs incurred in administering the charity and complying with statutory requirements. Direct costs include an allocation of the operational staff costs, external audit, trustee expenses and one-off recruitment fees incurred in the year to employ staff and trustees to drive the strategy forward.

UFI VocTech Trust

Notes to the financial statements

For the year ended 31 December 2020

2b Analysis of expenditure (prior year)

	Direct costs £'000	Grant making £'000	Governance costs £'000	Support costs £'000	2019 Total Restated £'000
Cost of raising funds					
Investment management costs	604	–	35	47	686
Charitable activities					
Advancement of skills and qualifications	1,433	3,705	104	140	5,382
Total expenditure 2019	2,037	3,705	139	187	6,068

Notes to the financial statements

For the year ended 31 December 2020

2c Analysis of expenditure (continued)

All grant payments in the year were made to institutions under the calls as follows:

	2020 £'000	2019 £'000
Call		
VocTech Seed	678	1,008
VocTech Impact	1,932	1,976
VocTech Specialist	690	259
Manufacturing Skills Fund	239	187
Partnerships	278	–
VocTech Now	468	–
VocTech Now FE	216	–
Ad-hoc	91	275
Total	4,592	3,705

If you would like more information on the projects we have funded over the last year please see the website: www.ufi.co.uk. A breakdown of all the awards made in the year can be obtained by emailing: info@ufi.co.uk.

3 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2020 £'000	2019 £'000
Auditor's remuneration:		
Audit 2020	11	11
Audit 2019	2	–

Notes to the financial statements

For the year ended 31 December 2020

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

Staff costs were as follows:

	2020 £'000	2019 £'000
Salaries and wages	629	579
Social security costs	68	63
Employer's contribution to defined contribution pension schemes	52	46
Ex-gratia payments	14	–
	763	688

Two employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between £80,000 and £90,000 (2019: one) none between £70,000 and £80,000 (2019: one) and one between £60,000 and £70,000 (2019: one).

Key management personnel are considered to be the CEO Rebecca Garrod-Waters, the Deputy CEO Louise Rowland, the Impact Investment Director Joe Ludlow and the Finance Director Gabrielle Smith. Total salary and benefits (including employer pension and employer national insurance) provided in the year to key employees was £340,335 (2019: £313,758).

There were 6 part-time and 5 full-time staff employed throughout the year. One part-time and two full-time members of staff were recruited during the year. The full time equivalent number of staff employed is 10 (2019: 9.5).

5 Trustees' remuneration

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2019: £nil). No charity trustee received payment for professional or other services supplied to the charity (2019: £nil).

Trustees' expenses represent the payment or reimbursement of travel, subsistence and meeting costs totalling £1,380 (2019: £4,353) incurred by 5 (2019: 5) members relating mainly to attendance at meetings of the trustees. Trustee Indemnity Insurance has been purchased by the charity at a cost of £3,705 (2019: £2,747).

6 Related party transactions

A grant was awarded in 2018 for £291,740 (with an extension of £40,000 made in 2020) to GTA England of which Tom Wilson is on the Board, with payments of £116,695 being made in 2020. The trustee concerned was not involved in the application or decision-making processes for the award.

Ufi purchased Salesforce licences to a value of £6,860 for the CRM database over 2020 of which Charlotte Kirby is a senior employee.

Jon Scott provided a meeting room at Hilton Hotels on one occasion to Ufi at reduced cost.

The trustees have no other related party transactions with any organisation that has either transacted with Ufi or received funding from Ufi in the period.

Notes to the financial statements

For the year ended 31 December 2020

7 Taxation

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

8 Investments

	2020 £'000	2019 Restated £'000
Fair value at the start of the year	55,524	54,927
Additions at cost	13,443	16,484
Disposal proceeds	(20,061)	(21,525)
Net gain on change in fair value	2,898	5,638
	51,804	55,524
Capital cash account Invested	1,039 50,765	1,067 54,457
Total	51,804	55,524
Historic cost at the end of the year	39,292	45,788

Investments comprise:

	2020 £'000	2019 £'000
IFM	8,936	8,433
Ruffer	13,658	16,564
Vanguard	16,033	18,809
Charities Property Fund	5,768	5,921
Mayfair Property Fund	5,448	5,791
Northern Trust	1,961	6
	51,804	55,524

8a Programme related investments (current year)

	Convertible loan £'000	Direct equity £'000	2020 Total £'000
Cost at start of the year	150	150	300
Additions at cost	190	260	450
Disposal proceeds	–	–	–
Net gain on change in cost	–	–	–
Cost at end of year	340	410	750

Notes to the financial statements

For the year ended 31 December 2020

8 Investments (continued)**8b Programme related investments (prior year)**

	Convertible loan £'000	Direct equity £'000	2019 Total £'000
Cost at start of the year	–	–	–
Additions at cost	150	150	300
Disposal proceeds	–	–	–
Net gain on change in cost	–	–	–
Cost at end of year	150	150	300

Investments in 2020 were made in:

SonicJobs: £150,000 convertible loan alongside institutional co-investors.

Learning Labs: £150,000 mixed equity investment and convertible loan alongside individual and institutional co-investors.

Bodyswaps: £150,000 equity investment alongside institutional co-investors.

Investments in 2019 were made in:

Kinderly: £150,000 convertible loan note alongside co-investors including Development Bank Wales. The loan note may convert to equity at any time, subject to certain conditions and Ufi giving its consent, prior to three years from the date of investment (December 2019). Otherwise the loan notes are repayable three years from the date of investment.

Learnerbly: £150,000 equity investment alongside individual and institutional co-investors.

9 Debtors

	2020 £'000	2019 £'000
Prepayments	–	4
Accrued income	219	177
Other debtors	4	–
	223	181

10 Creditors: amounts falling due within one year

	2020 £'000	2019 £'000
Trade creditors	66	175
Taxation and social security	26	28
Grants payable	64	110
Other creditors	1	10
Accruals	32	86
	189	409

11a Analysis of net assets between funds (current year)

	General fund £'000	Revaluation reserve £'000	2020 Total funds £'000
Investments	39,292	12,512	51,804
Net current assets	1,001	–	1,001
Net assets at 31 December 2020	40,293	12,512	52,805

11b Analysis of net assets between funds (prior year)

	General fund £'000	Revaluation reserve £'000	2019 Total funds £'000
Investments	45,788	9,736	55,524
Net current assets	181	–	181
Net assets at 31 December 2019	45,969	9,736	55,705

12a Movements in funds (current year)

	At 1 January 2020 £'000	Income & gains £'000	Expenditure & losses £'000	Transfers £'000	At 31 December 2020 £'000
Revaluation reserve	9,736	–	–	2,776	12,512
General funds	45,969	3,807	(6,707)	(2,776)	40,293
Total funds	55,705	3,807	(6,707)	–	52,805

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

12b Movements in funds (prior year) restated

	At 1 January 2019 £'000	Income & gains £'000	Expenditure & losses £'000	Transfers £'000	At 1 January 2020 £'000
Revaluation reserve	6,158	–	–	3,578	9,736
General funds	48,810	6,805	(6,068)	(3,578)	45,969
Total funds	54,968	6,805	(6,068)	–	55,705

The transfer between general funds and the revaluation reserve is to show the cumulative unrealised gain in the charity's investments.

13 Post balance sheet events

Over the first half of 2021 the investment portfolio has been transferred from existing fund managers to Credit Suisse for reinvestment in line with the new investment policy and strategy. The funds held in Mayfair Capital will be redeemed at 30th June and paid into the Credit Suisse portfolio soon after this date.

At the 31st May 2021 the value of the investment portfolio is £51,211,540. Since 1st January 2021 £1.55m has been disinvested to meet cashflow needs.

Soon after the year end a further programme related equity investment of £175,000 was made in Learnerbly, bringing the total invested to £350,000.

14 Grant commitment

At the year-end grants which have been awarded, where there are milestones to be achieved by the recipient, and therefore await payment amounted to £63,849 (2019: £110,000) and have been included in creditors. A further £3.03m (2019: £5.95m) relates to commitments where they are dependent on satisfactory monitoring reports and milestones and are therefore not included in creditors. No liability has been accounted for on the basis that unless the milestones are achieved, no future payments are made by the charity.

15 Convertible grants

During 2016, the charity agreed an award of grants to certain organisations that have the option to be converted to equity shares in the grant recipient. The contracts for these awards were finalised in 2017 and the value of grants made subject to the option to be converted at the year-end is £0.85m (2019: £0.85m). The options are valid for a period of up to five years from the date of the grant agreement. At the date of approval of these accounts grants to the value of £325,000 have been converted to shares. At the balance sheet date, the value of these investments have been fully impaired. The trustees will review the value of these investments annually.

16 Reconciliation of net income to net cash flow from operating activities

	2020	2019
	£'000	Restated £'000
Cash flows from operating activities		
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	(2,900)	737
(Gains)/losses on investments	(2,898)	(5,638)
Dividends and interest from investments	(909)	(1,167)
(Increase)/decrease in debtors	(42)	31
Increase/(decrease) in creditors	(220)	119
Net cash provided by / (used in) operating activities	(6,969)	(5,918)

17 Prior year adjustment

The prior year figures have been adjusted to reflect investment portfolio fees charged directly to the portfolio against investment gains. This has resulted in a £293,000 increase in expenditure on raising funds and gains on investments. The net result on the funds position for the year is nil.

18 Legal status of the charity

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