

UFI VOCTECH TRUST
(A Charitable Company Limited by Guarantee)
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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 2022

Company registration number	3658378	
Charity registration number	1081028	
Registered office	First Floor, 10 Queen Street Place LONDON EC4R 1BE	
Trustees	D Gill J Lambdon C Kirby J Scott A Cullen J Greenidge A Bravo D Chapman P Fresia D Ryder	Chair Appointed 1 January 2023 Resigned 7 December 2022 Resigned 16 March 2022
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	Credit Suisse (UK) Limited One Cabot Square London E14 4QJ	Northern Trust Georges Court 54-62 Townsend Street Dublin 2 Ireland

The trustees present their report and the audited financial statements for the year ended 31 December 2022.

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

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 has been established 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 adult vocational learning (VocTech). These are undertaken to further Ufi's charitable purposes for the public benefit.

Ufi further strengthened its work to catalyse change and to influence public policy on adult vocational learning, bringing together advocacy, partnerships and grant funding in campaigns of activity that exploit Ufi's point of difference as a source of deeply practical, actionable knowledge, through thought and action leadership.

In 2022 we continued to deliver the commitments made in our 2021 White Paper, *Levelling Up Learning*, with a focus on how technology can support those most affected by the digital divide and furthest from learning to develop the skills they need for work. Our grant funded projects have focussed on uncovering the factors that influence learner confidence and how digital tools and solutions can be deployed to help overcome those issues and help people take their first steps to vocational learning.

New strategic partnerships have been established with the Association of Employment & Learning Providers (AELP), Catch22 & the Learning & Work Institute, taking the total number of Ufi strategic partnerships to seven. These larger scale partnerships are helping Ufi to achieve more than possible by working alone; providing evidence to support policy making, attracting new investment, and supporting a shift in culture in order that more organisations can deploy good quality VocTech.

Through our strategic partnerships Ufi published two pieces of original research with the RSA and the Association for Learning Technology, supported new investment into the WorkerTech Partnership fund with The Resolution Foundation and grew the #AmplifyFE community of practice, a supportive network helping teachers and trainers develop the skills and confidence they need to use learning technology in practice.

Significant progress was made towards the key goal of Ufi's public affairs plan; to grow the number of people who understand and advocate for the role of tech in vocational education. Over 2022 Ufi actively engaged over 30 key influencers in the sector by launching new research, convening events with the RSA, responding to consultations and engaging with the All-Party Parliamentary Group for Adult Education. Ufi also hosted regional engagement events with key stakeholders in Northern Ireland and Wales.

The year culminated with the 2022 Week of VocTech, the UK's only dedicated event focused on the role of digital technology in vocational education. Now in its third year, with an estimated reach of over five thousand, the Week of VocTech is becoming an established date in the sector uniting trainers, learning providers, developers, investors, funders and policy makers over five days of events.

The highlight of this year's Week of VocTech was the 'Ufi VocTech Showcase', which was hosted in person for the first time since November 2019. This included a high profile thought leadership event attracting over 30 high profile organisations and individuals including Members of the House of Lords and senior civil servants, and a fantastic evening of networking where 13 of the organisations Ufi has supported, through grants and ventures, were able to demonstrate their work. The Week of VocTech, is a celebration of the many different ways that technology can support better learner outcomes and greater numbers of learners through working with partners. We are particularly grateful to the RSA for their partnership approach that underpinned the Week of VocTech 2022. We were also pleased to celebrate the success of four Ufi supported projects and Ventures at the Learning Technology Awards, an indication of the importance of the work we fund.

In terms of grant activity, £1.73m was awarded in grant funding in the year to 31 new projects. Grant instalments of £2.53m were paid to 85 projects on satisfactory completion of milestones, across the 11 live cohorts of projects.

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TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

In 2022 the portfolio of projects has continued to build a strong pipeline of new technology solutions which are opening up access to learning and skills development. Some highlights are set out below:

- The NextGen Skills Academy, helping people from across the UK secure the skills for a career in game design, animation, and visual effects. Their networked virtual studio enables people to collaborate on commercial briefs coached by experts from industry, opening up access to the profession for people who live a long way from the established 'gaming clusters'.
- The Home Achievement Academy created a blended online learning environment for housing associations to support tenants to develop soft skills and confidence in order that they can progress onto accredited vocational learning pathways and into work.
- Stream Marines AR/VR multimedia e-learning model for mandatory 'refresher' training in the maritime industry is changing technology in supporting learning across the globe. The approach has been approved by the Bahamas Maritime Authority and further approvals are in the pipeline.
- DAU Draexlmaier Automotive developed an app to help employees develop 'lean' manufacturing skills. The prototype, developed with Ufi support, has been used to demonstrate the potential of digital learning tools to the company Board and secure an ongoing commitment to scale and roll out.
- Meganexus are helping provide new opportunities for prisoners to increase skills. The project has developed and tested a secure approach for prisoners to download learning content onto a range of devices accessible in cells. This has the potential to transform how prisoners learn; for example in a single institution the number of study hours available to prisoners increased from just over 2,000 to just under 50,000.
- Gower College Swansea developed "Marcel", a chatbot designed to provide a comprehensive and highly responsive library enquiry service available to students anywhere. This is particularly important for a college with such a dispersed student population.
- The Construction Industry Training Board, Northern Ireland (CITBNI) has produced an augmented reality course in which students learn team working, planning and organisational skills by building virtual bridges that can be imposed into the real world through mobile devices.

A number of projects funded by Ufi in previous years have gone on to scale and have a significant impact on adult skills in the UK over the course of 2022. Of particular note;

- iDEA have awarded 10 million digital badges recognising learners who are building their functional digital skills.
- 2022 was a breakthrough year for the National Numeracy Challenge platform, supporting half a million learners to build their confidence with numbers.
- The RSA Cities of Learning movement is disseminating across the UK, with over eight cities and county's working to create new pathways into learning and employment by connecting formal, informal, and in-work learning opportunities via the Cities of Learning system of digital open badges.
- 65% of FE colleges in the UK are using the Century Tech tool that is designed to help the c.170,000 young people who fail their GCSE maths and English annually to achieve the standards required for them to continue their vocational studies.

In 2022 the VocTech Ignite programme was rolled out, following earlier pilots. VocTech Ignite helps organisations whose ideas have real potential to create a difference but are not yet ready for full funding by recommending and funding expert support and mentoring. This was offered to 15 projects, of which 10 have taken this up. Past VocTech Ignite projects have taken various directions: some have successfully applied for subsequent Ufi funding rounds, some have realised that their organisation was not ready for this type of development, and others have used the support given to develop their work in a new direction.

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Throughout the year successful grant recipients have received significant expert support to ensure 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 help give them the best chance of success. Ufi continue to operate a 'grant plus' model of working with grantees, focussed on achieving the best outcomes for funded activity. It is particularly pleasing that this approach has been recognised as valuable in the external evaluation:

"We have worked with numerous funders for over 30 years and there are many others who might benefit from the Ufi model"

Simon Roper, Director, Ambios

The impact evaluation framework, developed in 2021, was fully deployed in 2022, ensuring consistency of future impact evaluations and supporting wider ambitions around statistics and evidence sharing. An evaluation of the 2015-2019 strategy was completed which identified how Ufi grant funding is having a positive impact on c2.6m learners across the UK. Grant funded organisations were positively impacted in a number of ways, including embedding new working models, the formation of new partnerships and collaborations, supporting their digital development, business growth, and profile raising. The evaluation also highlights the added value the supportive project management model brings in providing general support, offering technical expertise, identifying key areas of opportunity and enhancing market knowledge.

Feedback from grantees on the added value that Ufi offers as a funder has been extremely positive:

The Ufi staff did an excellent job of facilitating the VocTech Challenge 2021 portfolio workshop yesterday, and there was a real buzz throughout the day as well as lots of insights shared – I know I learned a lot being there!

Dean Blewitt, Learning Innovation Manager, NCFE

Thank you to Ufi and the whole team you really are all incredible in what you do.

Hannah Kirkbride, CEO, Career Matters

Thanks for all your help. You really aren't "just another funder".

Spencer Holmes, Director, Totem Learning

I just wanted to say how valuable we found the enrichment support, thank you so much for providing this as part of the Ufi offer.

Laura Ladd, Director of Business Development, Autonomie

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

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VocTech sector	<ul style="list-style-type: none">Increased financial investment leading to growth
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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 2022 the board approved five new investments and approved and completed follow on investments in three other companies from the portfolio.

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 review of activity, supported by a dashboard update 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 focussed on those that have failed to be engaged by the education system or who have less opportunity to access vocational learning (for whatever reason). 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. In addition, technology can enhance traditional teaching and learning and support better outcomes for learners, teachers and organisations.

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 reinvested income of £366k from its investments and cash holdings, and incurred expenditure of £4.86m 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 £40.547m.

The investment portfolio suffered as a result of the volatility in the markets in 2022, resulting in a loss of £8.029m. The final value of the portfolio decreased from £49.838m to £36.098m due to the additional disinvestment of £5.65m to pay grant, operational and programme related investment costs. While funds carried forward are nearly £7m behind the budget for the year, this will not materially affect the current activities of the charity; the funds will remain in the investment portfolio for disinvestment when additional capital is needed to fund future activities.

In 2021 investment performance fees on the Edutainment Fund were incorrectly reported by the investment managers resulting in the over statement of fees and investment gains by £129k. This has been restated in the prior year accounts.

Investment policy

The year 2022 was expected by many to see a return to post-Covid economic normality. Instead, investors were faced with a series of geopolitical and economic shocks. Inflation was already a concern going into the year and the onset of the war in Ukraine drove energy and food prices up further. In response, central banks raised interest rates aggressively, determined to bring inflation down. The US Federal Reserve raised interest rates 7 times from 0.25% to 4.5%. The Bank

of England acted similarly, raising interest rates by 3.25%. Global growth slowed, with the Eurozone and UK narrowly avoiding recession. China also staged one of its worst economic performances, impacted by widespread Covid lockdowns and a severe downturn in the property market.

This backdrop created an extremely difficult year for financial markets. 81% of all asset classes posted negative nominal returns. As interest rates rose, global bonds fell into a bear market for the first time in 70 years. As a result, the typical 60-40 portfolio (60% equities, 40% bonds), recorded the largest losses since the 1930s. In the UK, bonds were hit further by the mini-budget crisis, which required the Bank of England to intervene to calm markets and temporarily purchase long dated nominal and inflation-linked government bonds. Ufi's bond portfolio fell 12.9% in 2022, outperforming its fixed income benchmark (-13.5%) but nonetheless staging significant mark-to-market losses. The portfolio consists predominantly of investment grade single line bonds, which are sustainably screened. They have been selected to match assets with Ufi's cash flow requirements over the course of the charity's intended existence. Therefore, whilst this performance is unwelcome, if held to maturity, bonds will re-rate and return capital to Ufi, as its liabilities come due.

Equities were equally negatively impacted in 2022, as investors started to factor higher interest rates and slower growth into their forecasts. The S&P 500 recorded its worst annual performance since 2008, falling 18.3%. Growth stocks, particularly technology companies and small and mid-sized companies suffered worst in the recalibration. This had a significant impact on Ufi's thematic equity portfolio, which is geared towards disruptive digital solutions in the educational and vocational arena, as well as opportunities arising from robotics, automation and smart cities. Overall, the equity portfolio ended the year down 20.1%. Notwithstanding this bleak picture, there was a strong short-term rally in equities in August 2022, which enabled Ufi to raise cash at attractive prices and to tactically de-risk the portfolio.

2023 has started strongly, with asset markets responding positively to inflation receding and a lower likelihood of recession near term. The investment committee has used this period of strength to raise some liquidity and invest the cash in UK Treasury bills at yields not seen in over a decade. This will ensure that Ufi can comfortably meet its liabilities in the first half of the year, whilst also continuing to invest in attractive venture opportunities. Volatility in asset markets is likely to be a hallmark of 2023. Inflation data should improve but central banks may well keep interest rates high. Notwithstanding, we expect a more normal investment environment, led by a renaissance in fixed income, although equities may be challenged, as cost pressures impact corporate profit margins. Looking further out, trends in technology, demographics and industrial transition should underpin growth themes and support many of the companies in Ufi's mission-driven portfolio. It was announced in March 2023 that investment managers Credit Suisse had entered into a merger agreement with UBS. See Principal Risks and Uncertainties.

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. This decision is regularly reviewed.

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 held total reserves of £40.547 million, of which £36.098 million is held within the investment portfolios in order to generate an income to meet its strategic objectives. A balance of funds ("free reserves") of £1m-£2m is maintained in cash holdings and highly liquid investments within the Credit Suisse portfolio which can be transferred quickly to meet ongoing liabilities. 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.

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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) Ensuring that the investment portfolio is managed in accordance with the strategy agreed by the board, and is monitored on a regular basis
- 2) Ensuring that the charity supports high quality educational activities
- 3) Ensuring a suitable organisational structure to support the activities of the organisation

The unprecedented times we have been through as a result of the Covid-19 pandemic and the current cost of living crisis have not changed our key risks. While the value of the investment portfolio has been significantly impacted this year, Ufi has an investment strategy in place to manage this; we have a balanced investment portfolio providing a level of immediate liquidity and we have the ability to act quickly and review budgeted expenditure making adjustments as required. There is no intention to reduce spending as a result of the decrease in the portfolio value.

In March 2023 it was announced that investment managers Credit Suisse had entered into a merger agreement with UBS following intervention from the Swiss Federal Department of Finance after concern over the liquidity of Credit Suisse. The trustees have considered the risks this poses to Ufi. None of Ufi's funds are held on Credit Suisse's balance sheet and following the sale of equities early in the year there is sufficient liquidity to cover the majority of costs over 2023, with plans in place to raise the remaining amount required. The merger is not scheduled to complete until the end of the year affording the investment committee the time to review the process which may be required for the transfer of assets and ensure sufficient funds are accessible to cover expenditure over this period of administration.

The Investment and Audit Committees meet twice a year, or more should the need arise. The board meet five 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

The 2020-25 Five Year Strategy – Learning Without Walls (Beyond 2020) is in delivery, having been reviewed in light of the impact of Covid-19. 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 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. We have refreshed the Ufi Theory of Change, clarifying our approach and rationale behind the ways we work.

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 and ventures 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 support. This belief has been reflected in the recent evaluation of Ufi impact, which praised the added value of Ufi support and the Ufi way of working with grantees in particular. This support also underpins the Ufi approach to Programme Related Investment (PRI) and the wider work with partners and the adult vocational sector. Ufi takes a thoughtful approach to the way all our resources are deployed with the intention that every action contributes to the delivery of our mission and achieves positive impact.

Building on the success of our VocTech Seed grant programme, and the outcome of the recent evaluation, we launched a new grant 'wrapper' in January 2023 – VocTech Activate. This form of grant replaces the VocTech Seed grant and offers

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increased funding (£30k-£60k). It also builds on the success of the Ufi 'grant enrichment' program which was identified as a key element of the success seen as a result of Ufi funding.

This year will also see the roll-out of the VocTech Challenge 2023, in partnership with the Learning and Work Institute (L&WI). This builds on the knowledge gained through the previous VocTech Challenge rounds and draws together insights from across the sector to inform the deployment of grant funding. Partnerships are an increasingly important part of the Ufi delivery strategy and we are pleased that we now have a number of partnerships in place with key organisations who are well placed to deliver against our strategy.

We are also keen to continue our programme related investment activity, both through our direct investments (Ufi Ventures) and through working with partners. We believe that deploying a range of financial instruments (both grant and investment) gives us the best chance of success in delivering our mission.

We have expanded the Week of VocTech, a celebration of the many different ways that technology can support better learner outcomes and greater numbers of learners, in working with our partners. We are particularly grateful to the RSA for their partnership approach that underpinned the Week of VocTech 2022. We aim to continue the growth of the Week of VocTech, bringing in more partner activity and coralling more thought and reflection around technology and skills for work. We see this as an important and significant part of the dissemination of our mission and message. In addition, we are seeking more opportunities to share our insights and understanding and the trustees continue to share a passion for a focus on the positive impact that vocational technology can make.

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 2022 Rebecca has continued to develop and structure the core team in order to ensure that Ufi's reach and benefit is maximised.

Appointment of trustees

Paolo Fresia stepped down from the Board in December 2022 but will remain on the investment committee as an advisor. David Chapman, previously advisor to the investment committee was appointed as a trustee in January 2023.

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:

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- 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
- 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 2022 was 7 (2021:9). 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 7 June 2023 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 2022 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 2022 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, and the Audit Committee, 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)

8 June 2023

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

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

For the year ended 31 December 2022

		2022	Restated
	Note	£'000	2021
			£'000
Income from:			
Investments		366	533
Total income		366	533
Expenditure on:			
Raising funds	2	790	1,284
Charitable activities	2	4,073	3,569
Total expenditure		4,863	4,853
Net expenditure before net gains and losses on investments		(4,497)	(4,320)
Net gains / (losses) on investments		(8,029)	3,320
Net gains / (losses) on programme related investments		337	931
Net income / (expenditure) for the year	3	(12,189)	(69)
Reconciliation of funds:			
Total funds brought forward		52,736	52,805
Total funds carried forward		40,547	52,736

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.

As at 31 December 2022

	Note	£'000	2022 £'000	£'000	2021 £'000
Fixed assets:					
Investments	8		36,098		49,838
Programme Related Investments			4,661		3,493
			<u>40,759</u>		<u>53,331</u>
Current assets:					
Debtors	9	63		34	
Cash at bank and in hand		116		224	
		<u>179</u>		<u>258</u>	
Liabilities:					
Creditors: amounts falling due within one year	10	(391)		(853)	
Net current (liabilities) /assets			<u>(212)</u>		<u>(595)</u>
Total net assets			<u>40,547</u>		<u>52,736</u>
The funds of the charity:	12a				
Unrestricted income funds:					
Revaluation reserve		-		4,380	
General funds		40,547		48,356	
Total unrestricted funds			<u>40,547</u>		<u>52,736</u>
Total charity funds			<u>40,547</u>		<u>52,736</u>

The financial statements were approved and authorised for issue by the Trustees on 7 June 2023 and were signed below on their behalf by:

Dominic Gill
Chair of Trustees

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

Statement of cash flows

For the year ended 31 December 2022

	Note	2022 £'000	£'000	Restated 2021 £'000	£'000
Cash flows from operating activities					
Net cash used in operating activities	16		(5,229)		(3,763)
Cash flows from investing activities:					
Dividends and interest from investments		366		533	
Proceeds from the sale of investments		15,635		68,096	
Purchase of investments		(9,924)		(62,810)	
Purchase of programme related investments		(956)		(2,049)	
Net cash provided by investing activities			5,121		3,770
Change in cash and cash equivalents in the year			(108)		7
Cash and cash equivalents at the beginning of the year			224		217
Cash and cash equivalents at the end of the year			116		224

Notes to the financial statements

For the year ended 31 December 2022

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 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. While there are net current liabilities at the end of the year, these have been taken into account in cash flow planning, and there is sufficient cash in the LGIM account to cover them.

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.

Notes to the financial statements

For the year ended 31 December 2022

2a Analysis of expenditure (current year)

Restated

	Direct costs £'000	Grant making £'000	Governance costs £'000	Support costs £'000	2022 Total Funds £'000	2021 Total £'000
Cost of raising funds						
Investment management costs	584	–	31	50	665	1,047
Impairment loss against programme related	125	–	–	–	125	237
	709	–	31	50	790	
Charitable activities						
Advancement of skills and qualifications	1,299	2,531	94	149	4,073	3,569
Total expenditure 2022	2,008	2,531	125	199	4,863	
Total expenditure 2021	2,283	2,356	128	215		4,853

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.

Notes to the financial statements

For the year ended 31 December 2022

2b Analysis of expenditure (prior year) restated

	Direct costs £'000	Grant making £'000	Governance costs £'000	Support costs £'000	2021 Total Funds £'000
Cost of raising funds					
Investment management costs	961	–	32	54	1,047
Impairment loss against programme related	237	–	–	–	237
	1,198	–	32	54	1,284
Charitable activities					
Advancement of skills and qualifications	956	2,356	96	161	3,569
Total expenditure 2021	2,154	2,356	128	215	4,853
Total expenditure 2020	1,819	4,592	112	184	

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.

Notes to the financial statements

For the year ended 31 December 2022

2c Analysis of expenditure (continued)

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

	2022	2021
Call	£'000	£'000
VocTech Seed	839	563
VocTech Impact	483	927
VocTech Specialist	43	417
Manufacturing Skills Fund	87	246
Partnerships	343	311
Ad-hoc	138	77
VocTech Challenge	598	140
Grant conversion to programme related investment	–	(325)
Total	2,531	2,356

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):

	2022	2021
	£'000	£'000
Auditor's remuneration:		
Audit	11	10
Other services	–	1

Notes to the financial statements

For the year ended 31 December 2022

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

Staff costs were as follows:

	2022 £'000	2021 £'000
Salaries and wages	786	630
Social security costs	90	66
Employer's contribution to defined contribution pension schemes	71	64
Ex-gratia payments	–	6
	947	766

One employee received employee benefits (excluding employer pension costs and employer's national insurance) during the year between £80,000 and £90,000 (2021: one), one between £70,000 and £80,000 (2021: nil) and three between £60,000 and £70,000 (2021: two).

Key management personnel through the year were considered to be the CEO Rebecca Garrod-Waters, the Deputy CEO Louise Rowland, the Director of Ventures Helen Gironi 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 £339,656 (2021: £293,924).

There were 9 part-time and 9 full-time staff employed at the year end. The full time equivalent number of staff employed is 13 (2021: 11).

5 Trustees' remuneration

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2021: £nil). No charity trustee received payment for professional or other services supplied to the charity (2021: £nil).

Trustees' expenses represent the payment or reimbursement of travel, subsistence and meeting costs totalling £3,000 (2021: £1,328) incurred by six (2021: two) members relating mainly to attendance at meetings of the trustees. Trustee Indemnity Insurance has been purchased by the charity at a cost of £374 (2021: £4,816).

6 Related party transactions

A grant was awarded in 2022 for £200,000 to The Learning and Work Institute of which Jeff Greenidge is an Trustee, with payments of £50,000 being made in 2022. The trustee concerned was not involved in the application or decision-making processes for the award.

A grant of £48,690 was awarded to AELP in 2022 of which Dominic Gill was a patron level member in 2021.

Ufi purchased Salesforce licences to a value of £4,663 for the CRM database over 2022 (2021: £4,607) of which Charlotte Kirby is a senior employee.

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 2022

7 Taxation

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

8

	2022	Restated 2021
	£'000	£'000
Fair value at the start of the year	49,838	51,804
Additions at cost	9,924	62,810
Disposal proceeds	(15,635)	(68,096)
Net (loss)/ gain on change in fair value	(8,029)	3,320
	36,098	49,838
Capital cash account	171	1,961
Invested	35,927	47,877
Total	36,098	49,838
Investments comprise:		
	2022	2021
	£'000	£'000
Credit Suisse – comprising equities, fixed income and liquid investments	35,927	47,877
Northern Trust	171	1,961
	36,098	49,838

8a Programme related investments (current year)

	Convertible loan £'000	Direct equity £'000	2022 Total £'000
Cost at start of the year	380	3,113	3,493
Additions at cost	275	681	956
Disposal proceeds	–	–	–
Impairment	(75)	(50)	(125)
Fair Value Gain	–	337	337
Cost at end of year	580	4,081	4,661

Notes to the financial statements

For the year ended 31 December 2022

8 Investments (continued)

8b Programme related investments (prior year)

	Convertible loan £'000	Direct equity £'000	2021 Total £'000
Cost at start of the year	340	410	750
Additions at cost	40	2,009	2,049
Disposal proceeds	–	–	–
Impairment	–	(237)	(237)
Fair Value Gain	–	931	931
Cost at end of year	380	3,113	3,493

First investments in 2022 were made in:

Mobilise: £75,000 equity investment alongside institutional investors and angel co-investors.

Purlos: £199,984 equity investment alongside angel co-investors.

Assemble You: £99,996 equity investment alongside angel co-investors.

TaskHer: £74,900 equity investment alongside institutional investors and angel co-investors.

Data Literacy: £79,992 equity investment alongside institutional investors and angel co-investors.

Second investments were made in:

The Education Hub Group (T/A Springpod): £200,000 convertible loan with a longstop date in May 2023 alongside angel co-investors.

Bodyswaps: £150,001 equity investment alongside institutional investors and angel co-investors.

A third investment was made in:

Learning Labs: £75,000 convertible loan with a longstop date in December 2024 alongside institutional investors and angel co-investors.

The fair value of investments was measured at the year end resulting in an increase in the value of Bodyswaps and an impairment of Kinderly and Learning Labs.

Investments in 2021 were made in:

Enternships Ltd (T/A Learnerbly): £175,000 convertible loan alongside the Future Fund, and other angel co-investors plus £375,000 equity investment and conversion of convertible loan note.

Learning Labs: £50,000 equity investment alongside institutional co-investors.

CAPSLOCK Education Ltd: £325,000 equity investment alongside other institutional and angel co-investors.

The Education Hub Group (T/A Springpod): £250,000 equity investment alongside institutional co-investors.

SonicJobs App Ltd: £549,999 equity investment alongside institutional and angel co-investors.

Fluence: A convertible grant of £325,000 made in 2017 was converted to shares in January.

9 Debtors

	2022 £'000	2021 £'000
Prepayments	63	34
	63	34

10 Creditors: amounts falling due within one year

	2022 £'000	2021 £'000
Trade creditors	75	58
Taxation and social security	30	24
Grants payable	209	661
Other creditors	3	8
Accruals	74	102
	391	853

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

	General fund £'000	Revaluation reserve £'000	2022 Total Funds £'000
Investments	40,759	–	40,759
Net current assets	(212)	–	(212)
Net assets at 31 December 2022	40,547	–	40,547

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

	General fund £'000	Revaluation reserve £'000	2021 Total Funds £'000
Investments	45,458	4,380	49,838
Net current assets	2,898	–	2,898
Net assets at 31 December 2021	48,356	4,380	52,736

12a Movements in funds (current year)

	At 1 January 2022 £'000	Income & gains £'000	Expenditure & losses £'000	Transfers £'000	At 31 December 2022 £'000
Revaluation reserve	4,380	–	–	(4,380)	–
General funds	48,356	(7,326)	(4,863)	4,380	40,547
Total funds	52,736	(7,326)	(4,863)	–	40,547

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 2021 £'000	Income & gains £'000	Expenditure & losses £'000	Transfers £'000	At 31 December 2021 £'000
Revaluation reserve	12,512	–	–	(8,132)	4,380
General funds	40,293	4,784	(4,853)	8,132	48,356
Total funds	52,805	4,784	(4,853)	–	52,736

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

At the 31st May 2023 the value of the investment portfolio is £35m. Since 1st January 2023 £2.52m has been disinvested to meet cashflow needs.

Since 1st January 2023 four further programme related equity investments have been made totalling £625k, bringing the total invested to £5.29m.

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 £186,752 (2021: £505,421) and have been included in creditors. A further £2.74m (2021: £3.45m) 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 Prior year restatement

Investment performance fees on one of the funds was incorrectly reported by the investment managers resulting in the overstatement of investment fees and gains by £129k in the 2021 accounts. This has been corrected. The net impact on funds is nil.

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

	2022 £'000	Restated 2021 £'000
Cash flows from operating activities		
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	(12,189)	(69)
(Gains)/losses on investments	8,029	(3,320)
(Gains)/losses on programme related investments	(337)	(931)
Impairment of programme related investments	125	237
Dividends and interest from investments	(366)	(533)
(Increase)/decrease in debtors	(29)	189
Increase/(decrease) in creditors	(462)	664
Net cash provided by / (used in) operating activities	(5,229)	(3,763)

17 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.