

UFI VOCTECH TRUST
(A Charitable Company Limited by Guarantee)
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

Company Registration Number: 3658378
Registered Charity Number: 1081028

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UFI VOCTECH TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

FOR THE YEAR ENDED 31 DECEMBER 2023

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 S Roche K Pyshkin	Chair Appointed 1 January 2023 Appointed 1 January 2024 Appointed 14 February 2024
Bankers	Natwest Bank plc 9th Floor, 280 Bishopsgate LONDON, EC2M 4RB	
Auditor	Sayer Vincent LLP 110 Golden Lane LONDON, EC1Y 0TG	
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 2023.

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 and 'challenges' that exploit Ufi's point of difference as a source of deeply practical, actionable knowledge, through thought and action leadership.

2023 saw the continued investment of time and grant funding in strategic partnerships with organisations that are aligned to our mission and want to collaborate in ways that draw on our respective strengths. These larger scale partnerships are helping Ufi to achieve more than would be possible by working alone; providing evidence to support policy making, attracting new investment, and supporting a shift in culture and practice so that more organisations can deploy good quality VocTech.

Through our strategic partnerships we published three pieces of original research, with Learning & Work Institute (L&W), Association of Employment & Learning Providers (AELP) and the Association for Learning Technology (ALT). We have ensured that technology is a focus of the national Adult Participation in Learning Survey, working to establish a set of measures to track trends in use of technology in adult learning, over the long term, and supported Catch22 to launch GoodTech Ventures, an accelerator that supports digital tech solutions that can transform public sector delivery. Our jointly supported community of practice, AmplifyFE, in partnership with ALT, now connects more than 3,000 professionals in further education and vocational education to build their skills and confidence to adopt digital tools and pedagogy in their teaching practice.

In 2023 we launched a large £3m multi-year 'VocTech Challenge' programme of work with L&W, publishing Green and White Papers that explored some of the biggest challenges in adult vocational education and how to support impactful solutions. By bringing together Ufi's grant funding, direct investment and practical knowledge with L&W's deep research and policy expertise we aim to accelerate the adoption and deployment of technology to help every adult in the UK get the skills they need to participate in and benefit from our transitioning economy. Put simply, we aim to #getadultslearning.

The first output from the VocTech Challenge Programme, the Ufi Future of Skills Award, was a new competition to share and celebrate bold, tech-enabled ideas of how changes to the UK skills system could transform the way adults get the skills they need for work. Driving engagement with stakeholders from across the UK skills landscape, the winners and their visions are now helping spark discussion and debate around the systemic change required to get adults learning and the role technology can play.

New partnerships have been established in 2023 taking the total number of Ufi strategic partnerships to nine. The first, with NCFE, is focused on driving change and reform in the UK system of assessment of vocational training. We have combined our resources in a grant funding call to support innovation in assessment and will be using what we learn to advocate for change. The second, with FutureDotNow, will help improve digital capability and confidence of the UK workforce by supporting employers to develop the Essential Digital Skills of their employees. We will continue to broaden and deepen all of our Strategic Partnerships over the coming year.

Our public affairs programme has focused on campaigning for systems change and the roles that policy makers, training / qualification providers and employers can play in building a UK skills system that delivers for employers, learners and society as a whole. We have developed 'key asks' to provide a focus for our campaigning. Drawing on the practical insights we've gained from funding over 300 projects and ventures our aim has been to demonstrate how technology has the potential to help tackle the UK skills crisis and to highlight the practical actions government, employers and providers

can take to get more adults learning. The areas where we are seeking change are reform in assessment/qualifications, continued professional development (CPD) of teachers and trainers in the post-16 and vocational sector so they have the skills and confidence they need to adopt digital tools and learning technology in their practice, and employer investment in training.

We continue to ensure our public affairs work has a four nations lens, recognising that the adult skills system works differently in each of the devolved nations. More than 100 influencers and stakeholders from across the UK engaged in the Green and White Papers that were published as part of the VocTech Challenge: Skills for an Economy in Transition and informed the advocacy programme we are taking forward. We are particularly interested to see how our 'place based' work with stakeholders in Belfast, Newport, Aberdeen and Hull develops and how we can use what we learn to advocate for change.

Ufi continued to leverage participation in key industry events to champion the role of VocTech and share best practice. In 2023 Ufi were involved in more than 20 external events, including presenting at key international EdTech events. We also continued to nurture the development of the Ufi-led Week of VocTech, the UK's only programme of events and activities focused on vocational technology. The week brings together stakeholders from across the skills system on a shared public platform, providing Ufi with a unique opportunity to drive value from existing partnerships, make new connections, shape debate and inspire action. Support for the Week continues to grow, with over 12 key external organisations supporting and speaking in events and a reach of over 5,000.

In terms of overall activity, £1.72m was awarded in grant and partnership funding in the year to 21 new projects. Grant instalments of £2.82m were paid to 69 projects on satisfactory completion of milestones, across the 10 live cohorts of projects.

In 2023 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:

- Anagram built on their existing VR programme, which took auxiliaries and care workers inside the heads of patients suffering from specific forms of mental illness, to give them a new perspective on those they were treating. Anagram added biometric readings and feedback sessions to help these staff develop empathy for their patients and allow them to provide better support.
- Kakou built a platform that allowed SEN/D learners to build vocational creative skills. The content is sensitively presented and structured, accommodating a range of learning approaches, allowing those with specific learning challenges to develop competence in areas such as sound production, that were previously closed to them.
- Totem Learning developed an accurate simulation of a train door set up procedure with game features including rewards and leader boards. This can be delivered via low-spec tablets enabling train operating companies to upskill much needed apprentices as older train engineers retire.
- Bristol Braille developed its unique multi-line braille reader to a point where it can be viably scaled. They produced content to train blind learners in coding using the device, and demonstrated through this that a wide range of career pathways can now be opened up for blind and partially sight individuals that were previously unavailable to them.
- Klik2learn developed 3D simulations for doctors and nurses, to prepare for the NMC OSCE exam/GMC registration – allowing non-UK medical staff to work for the NHS. The AI-driven simulations help learners practise challenging conversations, with detailed feedback on what they said, and how they said it. The team are now focusing on partnership agreements to roll-out and commercialise the platform.
- BAPO have developed a gamified app to enable Prosthetists/Orthotists and support workers to deliver services that provide prostheses (artificial limbs) and orthoses (braces and splints) to people with mobility disability. The prototype enables users to develop their clinical skills in history taking, treatment planning and decision making.
- Energy Skills Partnership created a VR interactive walk through of a hydrogen refuelling station, giving learners exposure to an industrial environment. The VR is delivered through headsets and includes sound and visuals. Learners interact with their environment as if they are a Hydrogen technician, testing out prior knowledge and skills safely. The project tested the VR and user journey successfully with Aberdeen City Council, H2 Accelerator and

Angus and Dundee College. They plan to build wrap around support with the VR walkthrough based on the feedback they've received.

- Assistiv created assistive technology that provides personalised prompts to enable people with learning disabilities and/or autism to navigate the work environment and support task completion. Assistiv Task Manager system allows the user to tap an NFC sticker and get support to complete tasks independently and to a high standard. The pilot was run with employers such as JLR, the Compass Group, Holiday Inn Express, NHS-St James Hospital and Waitrose. Training hubs such as MENCAP, Pure Innovations and Lighthouse Futures trust also supported the project through their existing programmes.

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 2023. Of particular note:

- Bodyswaps developed and launched their 'Say Something' VR module, aimed at supporting learners develop their confidence in spoken communication. It has been used over 5,000 times and the team have contracted an external research organisation to independently assess the module's impact.
- TeacherMatic developed and launched a new platform powered by generative AI (Chat-GPT) to reduce FE teacher workload. It contains over 50 generators, capable of creating content including schemes of work, lesson plans, quizzes, assignments and presentations from a simple teacher prompt. To date, 100 FE Colleges have purchased licenses for over 12,000 teachers, saving a reported average of 3.5 hours per teacher per week.
- More than 75,000 unique users have used CenturyTech's Smart Initial Assessment (IA) platform, across 130 institutions with over three million questions answered. The SMART IA has been incredibly popular as the old method of assessment was not fit for purpose, was stressful for students due to the potential length, and produced inaccurate levels for colleges.

In 2023 support was offered to seven projects via the VocTech Ignite programme, of which four took up the offer of expert advice and mentoring. One has gone on to be awarded £100,000 from Innovate UK and acknowledged that support and advice given as part of the Ignite process was instrumental in this. One project has created a prototype and is exploring routes to market with the support provided via Ignite. Another has gone on to receive £30,000 funding from Walcot Foundation and said that they are far more advanced in their thinking and development due to the support, advice and wisdom of their Ignite mentor. Finally, one of the projects has refined their approach and submitted an application to VocTech Activate 2024.

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. Feedback from grant funded organisations on this approach continues to be positive:

"Ufi's approach to grant provision was unusual, supportive and probably the best we have come across."

Ed Rogers, Founder and Managing Director, Bristol Braille

"Ufi really does have your back – I have received a lot of additional support/suggestions from the Ufi team."

Alan O'Neill, Owner/Founder, SCU Motorsport

"On behalf of everyone here at Central YMCA, we would like to thank Ufi VocTech Trust for your support and investment in this project. We are so proud of what we have been able to create and look forward to watching it grow in the future."

Krystyna Emery, Head of Fundraising, YMCA Central.

"This was the first significant externally funded project that we had delivered, and the guidance and structure provided by Ufi really contributed to our success. There was a lot of information available to us, and this helped make clear what was expected of us, and as a result we put a lot of effort into the planning stages. The briefing event we attended before our project kicked off was also very beneficial, hearing about what good looks like, so that we could apply this to our

approach to this project."

Kerry Linley, CEO Rubitek Solutions.

"Ufi's critical friend approach to the monthly meetings was great. It was useful to get an outside/neutral perspective and to be asked key questions to prompt thinking."

Stuart Hill, Director, Assistiv.

"It was great to meet other projects at the workshop. We were a very different style of project from most of the other as we are a larger company, but it was good to see how these projects progressed. The showcase was also a great opportunity for us to see the outcome of the amazing work that Ufi do."

Ali Lennard, Strategic Projects Manager, CenturyTech.

The tender process for Ufi's next interim external evaluation is underway for the 2020-2025 strategy cycle. This interim evaluation will map out a framework and methodology for all Ufi funded activities including partnerships and ventures in addition to grants.

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	• Greater access to and progress in work through improved skills
Employers in the UK	• Improved business performance through increased workforce skills
VocTech sector	• Increased financial investment leading to growth

The board has established a Ventures Committee which considers and has delegated authority to approve proposals for investment under Ufi Ventures. In 2023 the committee approved five new investments and approved and completed follow on investments in five 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 £557k from its investments and cash holdings, and incurred expenditure of £5.3m 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 £40.158m.

The investment portfolio performed better over 2023 after the volatility in the markets and resulting loss the year before, ending the year with a gain of £3.67m. The final value of the portfolio decreased from £36.098m to £33.609m due to the additional disinvestment of £7.29m to pay grant, operational and programme related investment costs. Funds carried forward are nearly £4m ahead of 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.

Investment review

Global financial markets rebounded strongly in 2023, helping to reverse 2022 losses. As the year advanced, recession fears eased, and confidence grew over Central Banks' ability to control inflation. Across the globe a number of indices reached new records, with the MSCI World index returning 21.8% to reach a new all-time high.

The year started on a challenging footing for fixed income assets, after repeated interest rate hikes to control inflation pushed bond yields to a 16-year high. The Bank of England raised rates from 3.25% at the beginning of the year to 5.25% in summer 2023. The fourth quarter saw the challenging backdrop reverse with a strong rally in the final months of 2023 as investors became increasingly convinced that slowing inflation would allow the Federal Reserve to cut rates swiftly in 2024. In the UK, bond markets were supported by UK inflation falling faster than the market expected with Headline CPI declining to 4% in November 2023 after peaking at more than 10% earlier in the year. Going into 2024, market expectation is that the Bank of England, and other Central Banks, will cut rates prompting investors to rotate out of cash into fixed income to lock-in attractive rates ahead of the expected cuts.

Ufi's bond portfolio returned 7.9% in 2023, outperforming its fixed income benchmark (6.1%). The portfolio consists of high-quality 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.

Meanwhile, Ufi's thematic equity portfolio returned 15.73% in 2023. The mission aligned portfolio invests in disruptive digital solutions in the educational and vocational arena, as well as opportunities arising from robotics, automation and smart cities. Equity indices were largely driven by the performance of 7 large cap tech stock, the so called "magnificent 7" (Apple, Microsoft, Alphabet, Amazon, Nvidia, Tesla and Meta), however, market participation started to broaden out beyond the mega-cap tech stock, benefiting Ufi's portfolio by favouring smaller disruptors.

Ufi's thematic equity investment approach is based on the premise that powerful long-term structural changes, occur in the world over-riding shorter term economic cycles, market sentiment and geopolitics. Ufi's portfolio is positioned to capture fundamental investment themes such as ageing populations, increasing urbanization, the transition from fossil-based fuels towards renewable energy and the spread of technology through the economy resulting in greater

electrification and digitalization. Heading into 2024, the portfolio is well placed to benefit from the view that technological shifts will impact all industries, with the value of AI likely to shift from the “enablers” (chip makers and cloud service providers) to companies which successfully develop commercial applications with embedded AI technologies. Robotics and automation companies are well positioned to do this.

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 soon became apparent that it would 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 £40.158 million, of which £33.609 million is held within the investment portfolio 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 within the investment 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.

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 cost of living crisis have not changed our key risks. While the value of the investment portfolio has been extremely volatile over the last few years, Ufi has an investment strategy in place to manage this; we have a balanced investment portfolio providing immediate liquidity and we have the ability to act quickly and review budgeted expenditure making adjustments as required. Investment performance improved over 2023, and there is currently no intention to reduce spending as a result of any decrease in the portfolio value or increase in overheads. However, as funds are spent down and the remaining timeline of Ufi reduces, this is under regular review in light of existing and planned commitments and investment performance.

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 merger process completed in June 2023. The trustees have continued to review the risk this poses to Ufi, with a planned three-year review of investment provider also taking place at the beginning of 2024. The process required for the transfer of assets over this period of administration is still being determined but is not anticipated to have any impact on existing funds.

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

2024 is the final year of delivery of the 2020-2025 strategy, Learning Without Walls (Beyond 2020) and the next strategy cycle is in development. The funding strategy continues to be focused 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.

Ufi VocTech Trust is focussed on the skills needed for work and development and deployment of good quality technology to support this. This includes showcasing and demonstrating the potential positive impact that technology can have and we have and are continuing to put in place strategic partnerships with organisations that can support this aspiration.

The Board of Trustees are committed to supporting a range of projects and activities that are centred on the Ufi target learner audience, those who are furthest from opportunity. This means those professions, communities, industries, and skill levels that are undervalued or under supported, where the trustees believe they can have the most significant positive impact. We believe that digital technology offers the opportunity to achieve considerable positive impact at scale and we continue to fund work that can both achieve the scale we aspire to and demonstrate to others the benefit of its use.

VocTech Challenge is now in delivery, with the successful development of place based partnerships across the four nations. We launched a grant call to support this work in January 2024 with final awards due to be made in June, and are scoping out an approach to Programme Related Investment (PRI) that can support our strategic ambitions in this area. 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 are working in partnership with the Learning and Work Institute to support the development of a robust evidence base and as part of our commitment to achieving maximum impact through our funding.

VocTech Activate remains an important part of our funding programme, supporting a range of projects through grants and being underpinned by the Ufi approach to enrichment and support. 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 unique support Ufi offers its grantees. 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.

Ufi continues to make Programme Related Investments through the work of Ufi Ventures alongside our grant funding and 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 aim is to create a community of developers, community organisations 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.

We are working with Resolution Foundation and Catch 22 to support the development of alternative social investment instruments that will enable a more diverse range of organisations to play a part in addressing the adult vocational skills challenge. We believe that working in partnership allows all parties to achieve more than possible through working alone.

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 2023 Rebecca has continued to develop and structure the core team in order to ensure that Ufi's reach and benefit is maximised.

UFI VOCTECH TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

Appointment of trustees

David Chapman, previously advisor to the investment committee was appointed as a trustee in January 2023. Sarah Roche and Kyrill Pyshkin were appointed in January and February 2024 respectively.

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
- 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 2023 was 8 (2022:7). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

UFI VOCTECH TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

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 5 June 2024 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 2023 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 2023 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)

5 June 2024

for and on behalf of Sayer Vincent LLP, Statutory Auditor
110 Golden Lane, London, EC1Y 0TG

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

For the year ended 31 December 2023

	Note	2023 £'000	2022 £'000
Income from:			
Investments		557	366
Total income		557	366
Expenditure on:			
Raising funds	2	560	790
Charitable activities	2	4,693	4,073
Total expenditure		5,253	4,863
Net expenditure before net gains and losses on investments		(4,696)	(4,497)
Net gains / (losses) on investments		3,670	(8,029)
Net gains / (losses) on programme related investments		637	337
Net income / (expenditure) for the year	3	(389)	(12,189)
Reconciliation of funds:			
Total funds brought forward		40,547	52,736
Total funds carried forward		40,158	40,547

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 2023

	Note	£'000	2023 £'000	£'000	2022 £'000
Fixed assets:					
Investments	8		33,609		36,098
Programme Related Investments			6,605		4,661
			<u>40,214</u>		<u>40,759</u>
Current assets:					
Debtors	9	57		63	
Cash at bank and in hand		215		116	
		<u>272</u>		<u>179</u>	
Liabilities:					
Creditors: amounts falling due within one year	10	(328)		(391)	
Net current (liabilities) /assets			<u>(56)</u>		<u>(212)</u>
Total net assets			<u><u>40,158</u></u>		<u><u>40,547</u></u>
The funds of the charity:	12a				
Unrestricted income funds:					
General funds		<u>40,158</u>		<u>40,547</u>	
Total unrestricted funds			<u>40,158</u>		<u>40,547</u>
Total charity funds			<u><u>40,158</u></u>		<u><u>40,547</u></u>

The financial statements were approved and authorised for issue by the Trustees on 5 June 2024 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 2023

	Note	2023 £'000	2022 £'000
Cash flows from operating activities			
Net cash used in operating activities	15	(5,042)	(5,229)
Cash flows from investing activities:			
Dividends and interest from investments		557	366
Proceeds from the sale of investments		26,048	15,635
Purchase of investments		(19,889)	(9,924)
Purchase of programme related investments		(1,575)	(956)
Net cash provided by investing activities		5,141	5,121
Change in cash and cash equivalents in the year		99	(108)
Cash and cash equivalents at the beginning of the year		116	224
Cash and cash equivalents at the end of the year		215	116

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.

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. Any impairments on these investments are recognised under charitable activities.

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) 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 2023

2a Analysis of expenditure (current year)

	Direct costs £'000	Grant making £'000	Governance costs £'000	Support costs £'000	2023 Total Funds £'000	2022 Total £'000
Cost of raising funds						
Investment management costs	471	–	33	56	560	665
Charitable activities						
Advancement of skills and qualifications	1,340	2,818	100	167	4,425	4,073
Impairment loss against programme related	268	–	–	–	268	125
	1,608	2,818	100	167	4,693	
Total expenditure 2023	2,079	2,818	133	223	5,253	
Total expenditure 2022	2,008	2,531	125	199		4,863

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 2023

2b Analysis of expenditure (prior year)

	Direct costs £'000	Grant making £'000	Governance costs £'000	Support costs £'000	2022 Total Funds £'000
Cost of raising funds					
Investment management costs	584	–	31	50	665
Charitable activities					
Advancement of skills and qualifications	1,299	2,531	94	149	4,073
Impairment loss against programme related	125	–	–	–	125
	1,424	2,531	94	149	4,198
Total expenditure 2022	2,008	2,531	125	199	4,863
Total expenditure 2021	2,283	2,356	128	215	

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 2023

2c Analysis of expenditure (continued)

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

	2023 £'000	2022 £'000
Call		
VocTech Seed	800	839
VocTech Activate	478	–
VocTech Impact	120	483
Partnerships	252	343
Ad-hoc	367	138
VocTech Challenge	801	598
VocTech Specialist	–	43
Manufacturing Skills Fund	–	87
Total	2,818	2,531

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):

	2023 £'000	2022 £'000
Auditor's remuneration:		
Audit	12	11
Other services	–	–

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

Staff costs were as follows:

	2023 £'000	2022 £'000
Salaries and wages	913	786
Social security costs	100	90
Employer's contribution to defined contribution pension schemes	90	71
Ex-gratia payments	–	–
	1,103	947

Two employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between £80,000 and £90,000 (2022: one), one between £70,000 and £80,000 (2021: nil) and two between £60,000 and £70,000 (2022: three).

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 £361,502 (2022: £339,656).

There were 12 part-time and 7 full-time staff employed at the year end. The full time equivalent number of staff employed is 17 (2022: 13).

5 Trustees' remuneration

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2022: £nil). No charity trustee received payment for professional or other services supplied to the charity (2022: £nil).

Trustees' expenses represent the payment or reimbursement of travel, subsistence and meeting costs totalling £3,953 (2022: £3,000) incurred by six (2022: six) members relating mainly to attendance at meetings of the trustees. Trustee Indemnity Insurance has been purchased by the charity and is included in the total annual commercial combined insurance cost of £1,943 (2022: £1,796).

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 £34,000 being made in 2023. 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. Payments of £32,690 were made in 2023.

Ufi purchased Salesforce licences to a value of £4,858 for the CRM database over 2023 (2022:£4,663) 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.

7 Taxation

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

Notes to the financial statements

For the year ended 31 December 2023

8 Investments

	2023	2022
	£'000	£'000
Fair value at the start of the year	36,098	49,838
Additions at cost	19,889	9,924
Disposal proceeds	(26,048)	(15,635)
Net (loss)/ gain on change in fair value	3,670	(8,029)
	33,609	36,098
Capital cash account	1,082	171
Invested	32,527	35,927
Total	33,609	36,098

Investments comprise:

	2023	2022
	£'000	£'000
Credit Suisse – comprising equities, fixed income and liquid investments	32,527	35,927
Northern Trust	1,082	171
	33,609	36,098

8a Programme related investments (current year)

	Convertible loan £'000	Direct equity £'000	2023 Total £'000
Cost at start of the year	580	4,081	4,661
Additions at cost	150	1,425	1,575
Disposal proceeds	–	–	–
Impairment	–	(268)	(268)
Fair Value Gain	–	637	637
Cost at end of year	730	5,875	6,605

8b Programme related investments (prior 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

If you would like more information on the investments made over the last year please see the website: www.ufi.co.uk. A breakdown can also be obtained by emailing: info@ufi.co.uk.

Notes to the financial statements

For the year ended 31 December 2023

9 Debtors

	2023 £'000	2022 £'000
Prepayments	50	63
Trade debtors	7	-
	<u>57</u>	<u>63</u>

10 Creditors: amounts falling due within one year

	2023 £'000	2022 £'000
Trade creditors	76	75
Taxation and social security	39	30
Grants payable	129	209
Other creditors	4	3
Accruals	80	74
	<u>328</u>	<u>391</u>

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

	General fund £'000	2023 Total Funds £'000
Investments	40,214	40,214
Net current assets	(56)	(56)
Net assets at 31 December 2023	<u>40,158</u>	<u>40,158</u>

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

	General fund £'000	2022 Total Funds £'000
Investments	40,759	40,759
Net current assets	(212)	(212)
Net assets at 31 December 2022	<u>40,547</u>	<u>40,547</u>

For the year ended 31 December 2023**12a Movements in funds (current year)**

	At 1 January 2023 £'000	Income & gains £'000	Expenditure & losses £'000	At 31 December 2023 £'000
General funds	40,547	4,864	(5,253)	40,158
Total funds	40,547	4,864	(5,253)	40,158

12b Movements in funds (prior year)

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

13 Post balance sheet events

At the 31st May 2024 the value of the investment portfolio is £32.6m. Since 1st January 2024 £1.8m has been disinvested to meet cashflow needs.

Since 1st January 2024 one further programme related equity investments has been made totalling £400k, bringing the total invested to £7m.

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 £34,569 (2022: £186,752) and have been included in creditors. A further £1.54m (2022: £2.74m) 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.

Notes to the financial statements

For the year ended 31 December 2023

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

	2023 £'000	2022 £'000
Cash flows from operating activities		
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	(389)	(12,189)
(Gains)/losses on investments	(3,670)	8,029
(Gains)/losses on programme related investments	(637)	(337)
Impairment of programme related investments	268	125
Dividends and interest from investments	(557)	(366)
(Increase)/decrease in debtors	6	(29)
Increase/(decrease) in creditors	(63)	(462)
Net cash provided by / (used in) operating activities	(5,042)	(5,229)

16 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.