

MILLENNIUM AWARDS TRUST
Charity No. 1095749
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

**MILLENNIUM AWARDS TRUST
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021**

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Acknowledgement

The Millennium Awards Trust (MAT) was endowed by the Millennium Commission with a National Lottery grant of £100 million as a permanent source of grants for individuals throughout the United Kingdom to develop their own skills and talents and to contribute to the community.

The Millennium Commission was set up in 1993 to distribute National Lottery funds as grants to fund initiatives to mark the year 2000 and the beginning of the third millennium. In doing so it changed the face of the United Kingdom for generations to come. The Commission's £100 million grant to MAT will ensure that Millennium Commission funds will continue to benefit individuals and communities in perpetuity.

Descriptions

MAT is a charity established by Trust Deed. The Foundation for Social Entrepreneurs (UnLtd) is the corporate trustee of MAT.

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1. LEGAL AND ADMINISTRATIVE INFORMATION

MAT was established by the founding donor, the Millennium Commission on the 27 January 2003. The body was established by Trust Deed and granted charitable status by the Charity Commission.

Trustee of MAT

UnLtd is the sole corporate trustee of MAT, appointed by the Millennium Commission at the time of the Trust's establishment on the 27 January 2003.

Protector of MAT

The Protector of the Millennium Awards Trust is Lady Justice Carr DBE, who was formally appointed on 27 January 2021 by the Secretary of State for Digital, Culture, Media, and Sport.

The Protector's current term of office will end on 26 January 2024.

The Protector's fiduciary duties are to ensure the integrity of the administration of the Trust and the propriety of its procedures.

Principal Office

123/127 Whitecross Street
Islington
London
EC1Y 8JJ

Independent Auditor

PKF Littlejohn LLP
15 Westferry Circus
Canary Wharf, London
E14 4HD

Bankers

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Hatton Garden Medium Business
99 Hatton Garden
London
EC1N 8DN

Bankers

Triodos Bank
Brunel House
11 The Promenade
Bristol
BS8 3NN

Solicitors

Bates, Wells and Braithwaite
10 Queen Street Place
London
EC4R 1BE

Investment Managers

Goldman Sachs Asset Management International
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120 Fleet Street
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EC4A 2BE

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5th Floor
20 Triton Street
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GAM London Limited
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AQR Capital Management Europe LLP
Charles House
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The Charities Property Fund
Cordea Savills
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Barclays Wealth Management
Barclays, level 12
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E14 5HP

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2. STRUCTURE, GOVERNANCE AND MANAGEMENT

a. Nature of governing document

MAT is governed by its Trust Deed, made on 27 January 2003 between the Millennium Commission and UnLtd.

b. Organisational structure and how decisions are made

Role of UnLtd in the operation of MAT

The Charity operates through its Trustee, UnLtd.

The Trustee holds the Endowment on Trust, and shall apply the income arising from the Endowment in furtherance of the Objects.

The Trustee may reimburse itself from the income of the Trust in respect of amounts required for the administration of the Trust.

The Protector of MAT

The Protector's fiduciary duty is to ensure the integrity of the administration of the Trust and the propriety of its procedures, and if necessary report matters of serious concern to the Big Lottery Fund, the Charity Commission and, where the Protector considers it appropriate, the Secretary of State.

The Protector of the Millennium Awards Trust is Lady Justice Carr DBE, who was appointed on 27 January 2021 by the Secretary of State for Digital, Culture, Media, and Sport. The Protector's term will end on 26 January 2024.

The Protector succeeded Patrick Harrington QC, whose term formally ended on 26 January 2021. We'd like to thank Mr Harrington for his committed expertise and counsel over the preceding 18 years – it has been a pleasure to have such an experienced and collegial individual as the Protector.

The Protector is entitled to receive from the Trust:

- Reasonable out-of-pocket expenses incurred in carrying out his or her role as Protector
- Reasonable remuneration at a level to be fixed by the Secretary of State from time to time

During the year the Protector received the Agenda and papers for all meetings of UnLtd, MAT and Scotland UnLtd. Executive staff held regular meetings with the Protector to advise them on activities, financial performance and future plans. The Chair of UnLtd also met and corresponded with the Protector during the year. They were also informed of complaints and their resolution. Face to face meetings were held with the Protector during the year. Where required, the Protector's permission to make changes to the Memorandum and Articles of Association of UnLtd and the policies of the Awards scheme was sought and received.

During the period the Protector claimed no out-of-pocket expenses.

The remuneration for the Protector has been set at £5,000 per annum.

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3. OBJECTIVES AND ACTIVITIES

a. Objects of the Charity

The Objects of the MAT are to relieve poverty, advance education and training and promote other charitable purposes beneficial to the community.

The Objects are to be carried out only by awarding grants of money to, and providing services, facilities and other forms of assistance for, individuals resident in any country or territory within the United Kingdom of Great Britain and Northern Ireland and the Isle of Man.

In pursuing these Objects, UnLtd as Trustee has had regard to the Charity Commission's general guidance on public benefit. Significant activities have been undertaken to further the mission and objects.

b. Main Policies and procedures

Grant Making Policy

UnLtd Millennium Awards are for people:

- Over the age of 16
- Resident in the approved territories (essentially the UK)
- Who are applying as an individual or informal group
- Who want to run projects:
 - That benefit the public or a community in the UK
 - That need an UnLtd Award to ensure success
 - That offer a learning opportunity for the applicant(s)
 - That are a new initiative

The Awards Scheme has 3 principal levels of Awards:

Try It Awards: aimed at people who have an idea but need some experience to build their confidence and skills. Try It Awards of up to £500 allow them to test their ideas.

Do It Awards: for individuals who have an idea which will change society for the better, and want help getting it off the ground. The funding of up to £5,000 is to help get the project up and running, and is backed by development support.

In 2015/16, UnLtd introduced the **Grow It Award** (Combining the previous Build It and Fast Growth Awards schemes), for social entrepreneurs who have already achieved real impact, to help them scale up. The Grow It Award gives social entrepreneurs a year of support with access to workshops, mentoring, coaching, business networks, investors as well as peers, and funding of up to £15,000.

Reserves policy

1. UnLtd is the sole Trustee of MAT, and in addition is developing activities to support social entrepreneurship, which cannot be funded by income from MAT either because they fall outside of the Trust's criteria or simply because of limits on available funds.
2. The founding donor of MAT, the Millennium Commission, established the Endowment to generate income to further the Objects of the Trust into perpetuity. The Trustee is required to apply at least 75% of the income arising from the Endowment in furtherance of the Objects.
3. The Trustee needs to balance this need to generate income with the need to seek to obtain the maximum return, consistent with a policy of seeking to maintain the Real Value of the original £100m Endowment.

Trustees of UnLtd have set the following reserves policy for the MAT in the light of the factors noted above and the investment strategy, and a separate reserves policy for UnLtd which is detailed in the consolidated annual report and accounts of the UnLtd Group.

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Income from Millennium Awards Trust endowment, from dividends and interest, is used to further the Objects of the MAT. The returns from financial markets, and therefore income available to run the Millennium Awards scheme, tend to fluctuate from year to year and on occasions these fluctuations could be significant. An income reserve has been established in order to provide a buffer between market fluctuations and spending level for MAT. The Trustee aims to maintain an income reserve that would sustain the spending level of the Millennium Awards scheme when likely future income is also taken into account. The level of unrestricted reserves was £5.9M as at 31 March 2021. The Trustee was happy that this level of reserves together with the projected future yield from the endowment would be sufficient to support the current level of Millennium Awards Trust activities until early 2022.

Investment Strategy

MAT is an endowment (valued at £100 million when it was established). The Board of UnLtd, in its capacity as Trustee of MAT, is responsible for the investment of the endowment. The Trust Deed for MAT stipulates that we must seek to maintain initial real value in managing the endowment. Initial real value (IRV) is calculated by applying CPI to the initial £100 million since the inception of the fund.

The Trustee may exercise the power of investment provided it has first taken proper investment advice. We delegate to the UnLtd Investment Committee (IC) the tasks of advising us on the full range of investment issues including policy, strategy, the appointment and monitoring of professional advisers, and the monitoring of performance. The expertise, engagement and generosity of our IC members enables us to manage our endowment well at low cost.

The UnLtd Board establishes and agrees the principles and policies for our investment management, which the IC then puts into practice. We are conscious of our responsibilities as an asset owner. The requirements of the Trust Deed have an overriding influence on investment decisions.

Consistent with our beliefs, we have been a signatory to the UN-sponsored Principles for Responsible Investment (see below) since February 2013, outlined below:

1. To incorporate Environmental, Social and Corporate Governance (ESG) issues into our investment analysis and decision-making processes;
2. To be an active owner and to incorporate ESG issues into our ownership policies and practices;
3. To seek appropriate disclosure on ESG issues by the entities in which we invest;
4. To promote acceptance and implementation of the Principles within the investment industry;
5. To work with the PRI Secretariat and other signatories to enhance their effectiveness in implementing the Principles;
6. To report on our activities and progress towards implementing the Principles.

The Board of UnLtd has a duty to act in the best long-term interests of our beneficiaries. We believe that environmental, social and governance (ESG) issues can and do affect the performance of investment portfolios (to varying degrees across companies, sectors, regions, asset classes and through time). We also believe that investment portfolios can and do affect our beneficiaries.

We will therefore seek to advance ESG goals, seek positive impact, and avoid negative impact, through our investment management, subject to the obligations of the Trust Deed and in accordance with trust law.

As part of this, we will continue to educate and challenge ourselves, our advisors and our investment managers to be aware of opportunities and risks related to maintaining real value, UnLtd's income needs and ESG factors.

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Asset Allocation

We invest so as to meet the various different objectives of the Trust Deed. In practice this involves investing across a number of different broad asset classes (eg, equities vs bonds vs cash), balancing expected return, risk, volatility, income, impact and operational considerations.

We review strategic asset allocation formally every five years, as part of an overall Investment Review. Our asset allocation aims to provide an optimum balance between stable income – necessary to meet MAT's operational needs - and maintaining real value.

Selection and Management of Investment Managers

The IC actively seeks out, selects and manages a focused group of external investment managers whom we believe will best achieve our overall goal (to maintain real value) while also being true to MAT's mission and our values.

When selecting investment managers, we will prioritise those whom we are confident, based on evidence and appropriate due diligence, will meet the obligations of the trust deed (including seeking to maintain initial real value), that will meet the operational needs of MAT and that will generate net positive ESG outcomes and impact.

We expect our investment managers to act as responsible investors. In appointing them, we consider whether they might behave in ways that conflict with our charity's aims, alienate our benefactors, or make our beneficiaries unwilling to accept our support. In managing our assets, they are asked to take account of ESG factors, and to disclose how their engagement with the companies they invest in is helping to meet our goals, including our ESG goals.

Where our investment managers knowingly act against our goals, mission, principles and values, we will consider what action to take.

The IC will report back to the UnLtd Board annually on how investment managers have advanced our goals, including our ESG goals. The IC will also report on its selection of investment managers, and how ESG factors were considered in the process.

External Advisors

We use external advisers to assist us in carrying out Investment Reviews. We may also use advisers on an ad hoc basis when the need arises e.g. to assist in the selection of managers in particular asset classes.

The performances of the whole portfolio, and of individual components within it, are monitored against their respective benchmarks on a quarterly basis. Managers are asked to attend Investment Committee meetings periodically. Managers with any significant performance or organisational changes or challenges are subject to intensive review.

Direct Social Investment

Direct programme- or mission-related investments through MAT are not permitted by the Trust Deed. Achieving the best returns across the full range of MAT investments allows UnLtd to best support social entrepreneurs.

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Financial instruments and associated risks

UnLtd, through investment in various funds as determined by its investment strategy, maintains positions in a variety of derivative and non-derivative financial instruments from time to time. UnLtd's investing activities expose it to various types of market risks that are associated with the financial instruments and markets it invests in.

Market risk includes currency risk, interest rate risk and price risk. The market risk management strategies of the funds UnLtd invests in are driven by the funds' investment objectives. The investment managers employed by UnLtd are instructed to manage risks in accordance with agreed policies and procedures.

Other than for its management of the Endowment, UnLtd does not use financial instruments.

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4. STRATEGIC REPORT

a. Performance for the year

In the period, 5 Try It Awards, 174 Do It Awards and 107 Grow It Awards have been made. In total £1,690,804 (2020: £1,564,360) was expended on Awards. Awards payments are made in a minimum of two instalments. All award instalments committed but not yet made are accrued and shown on the balance sheet.

UnLtd's Finance department runs award payments at the end of each month. For an Award Winner to receive payment they must have submitted all relevant paperwork (e.g. references, signed contract, bank and payment detail forms and police checks where appropriate). The amount of time this can take varies as it is the responsibility of the Award Winner (and their referees) to provide this information to UnLtd: it has taken 6 months for some Award Winners to be ready for payment whilst others take only a month. The average time taken for this process is 2 months.

The Awards programmes are open to application by social entrepreneurs from all backgrounds. The take up of the programmes is regularly reviewed and active measures are carried out to ensure that all sections of the population are reached. Benefit is therefore made to the public.

b. Financial review

MAT had one main source of funding during the year. The Endowment was established by a grant of £100,000,000 from the Millennium Commission. UnLtd, as sole corporate Trustee, holds the Endowment on Trust. The income generated from the Endowment was sufficient to fund Millennium Awards Trust activities and no additional external funding was sought.

At 31 March 2021 the Real Value of the Endowment was £148.5 million (2020: £147.3 million) against a total market value of the investments of £158.1 million (2020: £128.3 million) of which £9.2 million (2020: £10.4 million) is being held in income reserves. Within the income reserves, after netting off all creditors, the free reserves stood at £5.0 million (2020: £6.6 million).

MAT has substantial assets in the form of an endowment. The majority of the endowment is invested in funds with high liquidity. The trustee considers that there are no material uncertainties about the charity's ability to continue as a going concern.

c. Plan for future periods

Key objectives for the future

The Trustee has considered plans and objectives for the coming year and believes they are the best way to pursue the Trust's mission and objects to deliver benefit to the public:

The Awards Scheme will be continued across the UK from several office locations, with staff increasingly working in their area of responsibility and assigned to an office as a hub base. Awards will be made monthly, except for August and December.

For 2021 - 2022, the Do It Awards Budget available from the Trust is £912,500. It is expected that this budget will again be taken up in full. Based on the average Awards sizes, up to 300 Do It Awards are expected to be made in the year. In addition, further funds will be raised to increase the number of Do It Awards available.

For 2021 - 2022 the Grow It Awards budget available from the Trust is £715,000. It is expected that this budget will again be taken up in full. Up to 64 awards are expected to be made.

MAT creates public benefit by inspiring and supporting people to become social leaders, developing their skills and confidence to create social or environmental benefit and encouraging others to follow their example. We help people to create new social ventures and social innovations, some of which we support to achieve large scale social and economic impact, and we help other organisations to deliver similar benefits. The Trust also offers volunteering opportunities which help people gain work related skills.

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d. Principal risks and uncertainties

MAT has a structured approach to risk management, supported by a Risk Management Strategy which:

- focuses on high risk areas of the operations, not just financial risks
- helps managers to find improved ways of working and of achieving the Charity's objectives
- focuses on current operations, identifying future actions and management responses to identified risks
- cuts across departmental boundaries, looking at charity-wide issues
- develops knowledge of controls among managers to manage identified risks and eliminate pointless procedures

The Chief Executive of UnLtd is responsible for conducting a comprehensive risk analysis from which the Risk Management Strategy is produced. The Finance & Audit Committee of UnLtd first considers this and makes recommendation thereon to the Board.

The Covid-19 pandemic has generated considerable uncertainty in the markets and economies around the world. Our organisation and the Social Entrepreneurs that we fund and support have, in the main, been resilient so far in face of this uncertainty and we, in conjunction with third party funders, the Government and the Social Entrepreneurs have adopted a number of measures to overcome these challenges. The Board of Trustees have adopted the going concern basis in preparing these financial statements following detailed reviews of budgets and stress testing for market downturns. After considering various scenarios, the Board of Trustees have a reasonable expectation that the UnLtd group and MAT have adequate resources to continue in operational existence for the foreseeable future.

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5. STATEMENT OF TRUSTEE'S RESPONSIBILITIES

Statement of Trustee's responsibilities

The Trustee is responsible for preparing the Trustee's annual report and the financial statements in accordance with applicable law and regulations.

Charity law requires the Trustee to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity law the Trustee must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period.

In preparing these financial statements, the Trustee is required to:

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

The Trustee is responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to Auditor

The Board of Trustee's has confirmed that:

- So far as he/she is aware, there is no relevant audit information of which the charity's auditors are not aware; and
- He/she has taken all the steps that he/she ought to have taken as a member of the Board in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Approved by the Trustee on 15 September 2021 and signed on its behalf by:

DocuSigned by:
Krishna Vishnubhotla
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16/9/2021

Krishna Vishnubhotla
Trustee of The Foundation for Social Entrepreneurs

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REPORT OF THE INDEPENDENT AUDITOR TO THE TRUSTEE OF THE MILLENNIUM AWARDS TRUST

Opinion

We have audited the financial statements of The Millennium Awards Trust (the 'charity') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2021, 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; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustee's 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 the charity'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 trustee 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 Report of the Trustee, other than the financial statements and our auditor's report thereon. The trustee is responsible for the other information contained within the Report of the Trustee. Our opinion on the financial statements does not cover the other information and 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.

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Matters on which we are required to report by exception

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

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

Opinion on other matters as required by the Reporting Direction

In all material respects the income, expenditure and resources during the year ended 31 March 2021 have been applied in furtherance of the objects of the Millennium Awards Trust pursuant to the powers of UnLtd as set out in the Trust Deed dated 27 January 2003, and in accordance with the Conditions of Grant set by the Millennium Commission in Schedule 7 of the Trust Deed.

Responsibilities of the Trustee

As explained more fully in the Statement of Trustee's Responsibilities, the Trustee is responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the Trustee determines 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 Trustee is responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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 is detailed below:

- We obtained an understanding of the charity and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, sector research and application of cumulative audit knowledge and experience.

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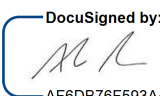
- We determined the principal laws and regulations relevant to the charity in this regard to be those arising from the Charities Act 2011, Financial Reporting Standard 102, and relevant employee legislation.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the company with those laws and regulations. These procedures included, but were not limited to enquiries of management, review of minutes and review of legal and regulatory correspondence.
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that there was potential for management bias in the valuation of investments. We addressed this through review of the valuation reports.
- We also identified potential for management bias in the allocation of support costs against charitable activity categories. We addressed this through reviewing the method used for reasonableness, and re-performing the calculation to ensure it had been performed accurately in line with the stated method.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or 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 for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

DocuSigned by:

AF6DB76F593A468...
PKF Littlejohn LLP
Statutory Auditor

15 Westferry Circus
Canary Wharf
London E14 4HD

Date: 22/9/2021

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

MILLENNIUM AWARDS TRUST
STATEMENT OF FINANCIAL ACTIVITIES
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	Notes	Unrestricted Funds £	Endowment Funds £	Total 2021 £	Total 2020 £
<u>Income and endowments</u>					
Investments	2	3,490,197	-	3,490,197	5,151,774
Total income and endowments		3,490,197	-	3,490,197	5,151,774
<u>Expenditure on</u>					
Investment charges		-	754,023	754,023	557,503
Charitable activities	3	5,012,714	-	5,012,714	3,446,554
Total expenditure		5,012,714	754,023	5,766,737	4,004,057
Net gains/(losses) on investments	2	-	31,770,173	31,770,173	(20,804,660)
Net income/(expenditure)		(1,522,517)	31,016,150	29,493,633	(19,656,943)
Transfer between funds		-	-	-	-
Net movement in funds		(1,522,517)	31,016,150	29,493,633	(19,656,943)
<u>Reconciliation of funds:</u>					
Total funds brought forward	14	7,401,758	117,888,334	125,290,092	144,947,035
Total funds carried forward	14	5,879,241	148,904,484	154,783,725	125,290,092

All income and expenditure derive from continuing activities.

The statement of financial activities includes all gains and losses recognised.

The accompanying notes on pages 16 to 24 form part of these financial statements.

**MILLENNIUM AWARDS TRUST
BALANCE SHEETS
YEAR ENDED 31 MARCH 2021**

	<u>Notes</u>	<u>2021</u> £	<u>2020</u> £
<u>Fixed assets</u>			
Tangible assets	5	835,000	840,000
Investments	4	158,077,820	128,313,737
		<hr/> 158,912,820	<hr/> 129,153,737
<u>Current assets</u>			
Cash at bank and in hand		322,662	29,078
		<hr/> 322,662	<hr/> 29,078
Creditors: amounts falling due within one year	6	1,396,919	1,636,207
Creditors - group / subsidiary		2,869,913	1,972,071
		<hr/> (3,944,170)	<hr/> (3,579,200)
Net current liabilities			
Total assets less current liabilities		154,968,650	125,574,537
Creditors: amounts falling due after more than one year	7	184,925	284,445
		-	-
		<hr/> 154,783,725	<hr/> 125,290,092
Total net assets			
<u>Funds</u>			
Endowment	13	148,904,484	117,888,334
Unrestricted funds	13	5,879,241	7,401,758
		<hr/> 154,783,725	<hr/> 125,290,092

Approved by the Trustee, authorised for issue on 15 September 2021 and signed on its behalf by:

DocuSigned by:

Krishna Vishnubhotla

16/9/2021

Krishna Vishnubhotla
Trustee of The Foundation for Social Entrepreneurs

The accompanying notes on pages 16 to 24 form part of these financial statements.

MILLENNIUM AWARDS TRUST
CASHFLOW STATEMENT
YEAR ENDED 31 MARCH 2021

	<u>2021</u> £	<u>2020</u> £
Cash inflow/(outflow) from operating activities		
Net incoming/(outgoing) resources	29,493,633	(19,656,943)
Loan interest charges	3,201	6,964
Depreciation of tangible fixed assets	5,000	8,891
Increase/(decrease) in creditors	657,631	(738,184)
Investments (gains)/losses	(31,770,173)	20,804,660
	<hr/>	<hr/>
Net cash provided (used in)/by operating activities	(1,610,708)	425,388
	<hr/>	<hr/>
Cash inflow/(outflow) from investing activities		
Payment to acquire investments	-	(305,820)
Receipts from sale of investments	2,006,090	-
	<hr/>	<hr/>
Net cash flow provided by/(used in) investing activities	2,006,090	(305,820)
	<hr/>	<hr/>
Cash inflow/(outflow) from financing activities		
Loan	(98,597)	(96,123)
Interest paid	(3,201)	(6,964)
	<hr/>	<hr/>
Net cash flow provided by/(used in) financing activities	(101,798)	(103,087))
	<hr/>	<hr/>
	<hr/>	<hr/>
Change in cash in year	293,584	(16,480)
	<hr/> <hr/>	<hr/> <hr/>

	<u>At 1 April</u> <u>2020</u> £	<u>Cashflow</u> £	<u>At 31 March</u> <u>2021</u> £
Analysis of changes in net funds:			
Cash at bank and in hand (including short term deposits)	29,078	293,584	322,662
Loans	(383,042)	98,597	(284,445)
	<hr/>	<hr/>	<hr/>
	(353,964)	392,181	38,217
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes on pages 16 to 24 form part of these financial statements.

**MILLENNIUM AWARDS TRUST
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021**

1 PRINCIPAL ACCOUNTING POLICIES

(a) General information and basis of preparation

MAT is a charity. It is governed by its Trust Deed and operates through its Trustee, UnLtd. The address of the registered office is given in the charity information on page 1 of these financial statements.

The charity constitutes a public benefit entity as defined by FRS 102. 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) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015. The financial statements have been prepared to give a true and fair view, and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to give a true and fair view. This departure has involved following the Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the UK and Republic of Ireland (FRS102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005, which has since been withdrawn.

MAT has substantial assets in the form of an endowment. The majority of the endowment is invested in funds with high liquidity. The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern and therefore the financial statements are prepared on that basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

(b) Going Concern

The Board of Trustees has adopted the going concern basis in the preparation of these financial statements. In reaching this decision, the Board of Trustees has given consideration to the Group's forecast and cash flow projections covering a period of at least 12 months from the date of signing of the financial statements, prepared against the backdrop of Covid-19.

Though the scenario is considered to be very unlikely, as part of the going concern assessment the Group prepared a cash flow forecast which considered the Group's ongoing cash outflows and assumed no new source of external funding beyond those already confirmed. Based on this analysis, no risk of going concern is foreseen for the 12 month period up to September 2022.

The Group will also monitor its funding position and its liquidity risk throughout the year to ensure it has access to sufficient funds to meet forecast cash requirements and make adjustments in its operational expenditure as required. UnLtd also has the ability to flex the timing and/or volume of MAT awards outflows in order to manage any risks. Having due regard to these matters and after making appropriate enquiries, the Directors have a reasonable expectation that the Group and the Company have adequate resources to remain in operation until at least 12 months after the approval of these Financial Statements. The Board of Trustees have therefore continued to adopt the going concern basis in preparing the consolidated Financial Statements.

**MILLENNIUM AWARDS TRUST
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021**

(c) Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds represent those assets which must be held permanently by the charity. Income arising on the endowment funds can be used in accordance with the objects of the Millennium Awards Trust and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund.

(d) Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income, after any performance conditions have been met, when the amount can be measured reliably and when it is probable that the income will be received.

Investment income is earned through holding assets for investment purposes such as shares. It includes dividends and interest earned. Interest income and dividends are recognised when receivable.

(e) Expenditure recognition

All expenditure is accounted for on an accruals basis. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Grants payable to third parties are included in expenditure on charitable activities. Where unconditional grants are made, these amounts are recognised when a constructive obligation is created, typically when the grant is approved. Where grants are conditional on performance, then the grant is only recognised once any unfulfilled conditions are outside of the control of the charity.

(f) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Freehold land	n/a
Freehold buildings	25 years
Fixtures and fittings	4 years
Computers	3 years

**MILLENNIUM AWARDS TRUST
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021**

(g) Investments

Publicly traded investments, or those where fair value can otherwise be measured reliably, are measured at fair value at each balance sheet date, with changes in fair value recognised in 'net gains / (losses) on investments' in the SoFA. Other investments are measured at cost less impairment.

Current asset investments are short term highly liquid investments and are held at fair value. These include cash on deposit and cash equivalents with a maturity of less than one year.

(h) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

(i) Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method.

(j) Derivatives

Derivative financial instruments are initially measured at fair value at the date on which a derivative contract is entered into and subsequently at each balance sheet date. Changes in fair value are recognised in the relevant expenditure heading in the SoFA.

**MILLENNIUM AWARDS TRUST
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021**

2 Income from investments

	<u>Unrestricted</u> £	<u>Endowment</u> £	<u>2021</u> <u>Total</u> £	2020 <u>Total</u> £
Investment income	3,490,197	-	3,490,197	5,151,774
Investment gains/(losses)	-	31,770,173	31,770,173	(20,804,660)
	<hr/>	<hr/>	<hr/>	<hr/>

Income from investments was £3,490,197 (2020 - £5,151,774) of which £3,490,197 (2020 - £5,151,774) was attributable to unrestricted funds.

Investment income can be used for general purposes of MAT and can be used to reimburse costs incurred by UnLtd in furtherance of the objects of the Trust.

3 Charitable expenditure – costs of support to social entrepreneurs

	<u>2021</u> £	2020 £
Direct costs analysis		
Salaries	1,075,124	593,665
Events	142,981	245,286
Travel	21,907	185,978
	<hr/> 1,240,012	<hr/> 1,024,929
	<hr/>	<hr/>
Grants Analysis		
Try It	(3,169)	30,875
Do It	761,558	951,485
Grow It	932,415	582,000
	<hr/> 1,690,804	<hr/> 1,564,360
	<hr/>	<hr/>
Support costs analysis		
Salaries recharged	1,306,232	1,149,537
Premises	241,156	310,495
IT	197,498	124,887
Marketing	217,925	75,909
Depreciation	17,237	24,686
Governance	53,918	68,990
Other	47,932	45,284
less re-charge to parent	-	(942,523)
Total	<hr/> 2,081,898	<hr/> 857,265
	<hr/>	<hr/>

MILLENNIUM AWARDS TRUST
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

	<u>2021</u>	2020
	£	£
Governance costs analysis		
Trustees expenses	153	2,653
Legal	1,889	7,858
Audit (external)	29,556	28,839
Audit (internal)	22,320	29,640
	<u>53,918</u>	<u>68,990</u>
 Total Charitable expenditure		
Direct costs	1,240,012	1,024,929
Grants	1,690,804	1,564,360
Support costs	2,081,898	857,265
	<u>5,012,714</u>	<u>3,446,554</u>

£5,012,714 (2020 - £3,446,554) of the above costs were attributable to unrestricted funds.

Net income / (expenditure) is stated after charging/(crediting)		
Depreciation	5,000	8,891
Investment gains and losses	31,770,173	(20,804,660)

4 Investments

Asset allocation:

	<u>Unrestricted</u>	<u>Endowment</u>	<u>Total</u>
	funds	funds	£
	£	£	
Market value at 31 March 2020	10,425,403	117,888,334	128,313,737
Net unrealised/realised investment gains / losses	-	31,770,173	31,770,173
Investment income earned	3,490,197	-	3,490,197
Investment income drawdown	(4,742,264)	-	(4,742,264)
Investment charges deducted	-	(754,023)	(754,023)
Transfer between funds	-	-	-
 Market value at 31 March 2021	<u>9,173,336</u>	<u>148,904,484</u>	<u>158,077,820</u>
 UK Treasury 8.00% 2021			6,300,128
Cash			487,048
GSAM Sterling Credit			4,946,627
Charities Property Fund			11,471,368
Dimensional - Global Core Fund			41,195,147
Dimensional - Emerging Markets			31,340,345
GMO			12,639,576
Wellington			15,798,249
GuardCap			16,507,778
HICL			17,391,554
 Market value at 31 March 2021			<u>158,077,820</u>

**MILLENNIUM AWARDS TRUST
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021**

All investments are held by MAT.

5 Tangible fixed assets

	<u>Land</u>	<u>Building</u>	<u>Computer and IT</u>	<u>Furniture and Fixtures</u>	<u>Total</u>
Cost	£	£	£	£	£
At 31 March 2020	800,000	125,000	6,633	551,658	1,483,291
Additions	-	-	-	-	-
At 31 March 2021	800,000	125,000	6,633	551,658	1,483,291
Depreciation					
At 31 March 2020	-	85,000	6,633	551,658	643,291
Charge for the year	-	5,000	-	-	5,000
At 31 March 2021	-	90,000	6,633	551,658	648,291
Net book values					
At 31 March 2021	800,000	35,000	-	-	835,000
At 31 March 2020	800,000	40,000	-	-	840,000

6 Creditors: amount falling due within one year

	<u>2021</u>	<u>2020</u>
	£	£
Awards accruals (see below)	1,278,949	1,516,323
Other accruals	18,450	21,287
Bank loan (see note 7)	99,520	98,597
	<u>1,396,919</u>	<u>1,636,207</u>
All awards are payable within one year		
Awards accruals breakdown		
Try It	5,556	13,672
Do It	935,629	1,389,424
Grow It	337,764	113,227
	<u>1,278,949</u>	<u>1,516,323</u>

**MILLENNIUM AWARDS TRUST
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021**

7 Creditors: Amounts Falling Due After one Year

	<u>2021</u>	2020
	£	£
Loan from Triodos Bank:		
Amounts falling due:		
After one year and before two years	100,469	99,520
After two years and before five years	<u>84,456</u>	<u>184,925</u>
	184,925	284,445
Within one year (see note 6)	<u>99,520</u>	<u>98,597</u>
	<u>284,445</u>	<u>383,042</u>

The loan is repayable in 204 equal monthly instalments from November 2006. The loan bears interest at 0.85% above the bank base rate and interest is payable as it is charged. The loan is secured over the freehold property of MAT and certain securities.

8 Endowment

MAT was endowed by the Millennium Commission with a National Lottery grant of £100 million as a permanent source of grants for individuals throughout the United Kingdom to develop their own skills and talents and to contribute to the community.

The Trustee is under a duty to obtain the maximum return consistent with a policy of seeking to maintain the "Real Value". Any excess above this value can be regarded as income funds and used to make awards and meet running costs.

All of the income of the fund is available to make awards and pay for the administration of the awards scheme.

9 Staff number and costs

The Trust does not employ any staff as it operates through its Trustee (UnLtd) and therefore has no key management personnel.

UnLtd is the sole trustee of the Trust. The Trust activities are carried out through the trustee. Expenses reimbursed to the trustees of UnLtd to operate the Trust amounted to £153 (2020 - £2,660).

Protector fees of £5,000 were payable in the reporting period (2020 -£5,000).

10 Control

Millennium Awards Trust considers UnLtd to be its controlling party and ultimate parent on the basis that it is the sole Trustee and The Trust activities are carried out through the Trustee. Transactions and balances with UnLtd and other group entities are disclosed within the notes to the financial statements.

**MILLENNIUM AWARDS TRUST
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021**

11 Related party transaction

There have been no related party transactions in the year other than those between the charity and its parent undertaking. No disclosure has been made within these financial statements of such transactions in accordance with the exemptions allowed by FRS102.

12 Financial instruments and associated risks

The charity holds a number of financial assets (for example investments, debtors and cash) which meet the definition of basic financial instruments under the FRS 102 SORP.

The charity also holds a number of derivative financial instruments give details eg interest rate swaps, options and forward contracts. AQR values Portfolio Securities using market-based valuations when they are readily available. When market-based valuation is not available for a Portfolio Security, the Portfolio Security may be fair valued by (i) the Valuation Committee or (ii) a relevant Pricing Service. The Investment Manager has established a Valuation Committee to oversee the day-to-day valuation of the Funds' Portfolio Securities in accordance with this Valuation Policy.

UnLtd, through investment in various funds as determined by its investment strategy, maintained positions in a variety of derivative and non-derivative financial instruments. UnLtd's investing activities expose it to various types of market risks that are associated with the financial instruments and markets it invests in.

Market risk includes currency risk, interest rate risk and price risk. The market risk management strategies of the funds UnLtd invests in are driven by the funds' investment objectives. The investment managers employed by UnLtd are instructed to manage risks in accordance with agreed policies and procedures.

Other than for its management of the Endowment, UnLtd does not use financial instruments.

13 Funds analysis

	Fund balance At 1 April 2020	Incoming resources	Outgoing resources	Transfers & investment gains/(losses)	Fund balance at 31 March 2021
	£	£	£	£	£
Unrestricted Funds	7,401,758	3,490,197	5,012,714	-	5,879,241
Endowment Funds	117,888,334	-	754,023	31,770,173	148,904,484
Total Funds	125,290,092	3,490,197	5,766,737	31,770,173	154,783,725

	Fund balance At 1 April 2019	Incoming resources	Outgoing resources	Transfers & investment gains/(losses)	Fund balance at 31 March 2020
	£	£	£	£	£
Unrestricted Funds	6,325,179	5,151,774	3,446,554	(628,641)	7,401,758
Endowment Funds	138,621,856	-	557,503	(20,176,019)	117,888,334
Total Funds	144,947,035	5,151,774	4,004,057	(20,804,660)	125,290,092

MILLENNIUM AWARDS TRUST
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

14 Analysis of net assets between funds

	2021	2021	2021
	Unrestricted	Endowment	Total
	£	£	£
Fixed assets	835,000	-	835,000
Investments	9,173,336	148,904,484	158,077,820
Net current liabilities	(3,944,170)	-	(3,944,170)
Long term creditors	(184,925)	-	(184,925)
	<u>5,879,241</u>	<u>148,904,484</u>	<u>154,783,725</u>
	<u><u>5,879,241</u></u>	<u><u>148,904,484</u></u>	<u><u>154,783,725</u></u>
	2020	2020	2020
	Unrestricted	Endowment	Total
	£	£	£
Fixed assets	840,000	-	840,000
Investments	10,425,403	117,888,334	128,313,737
Net current liabilities	(3,579,200)	-	(3,579,200)
Long term creditors	(284,445)	-	(284,445)
	<u>7,401,758</u>	<u>117,888,334</u>	<u>125,290,092</u>
	<u><u>7,401,758</u></u>	<u><u>117,888,334</u></u>	<u><u>125,290,092</u></u>