



enactus

United Kingdom

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

For the year ended 31st December 2020

Enactus UK Charity No. 1155261

#NextGenLeaders

REFERENCE AND ADMINISTRATIVE DETAILS

TRUSTEES	The following trustees have served throughout the period to which this report relates unless otherwise indicated: Dr. Emyr Williams – Chair (resigned as Chair November 2019 and resigned as Trustee 31st December 2020) Mr. Stuart Mitchell Mr. Chris Lane (appointed December 2019) Mr. Robin Lassiter (elected Chair from November 2019) Ms. Helen Ots Mrs. Gillian Smith (resigned as Trustee 31st December 2020)
COMPANY SECRETARY	Mr. Andrew Bacon OBE
REGISTERED OFFICE	Enactus UK, 7 Wadkins Way, Bushby, Leicestershire. LE7 9NA
INDEPENDENT EXAMINER	Azets, 1 st Floor, Copthall House, 1 New Road, Stourbridge, West Midlands. Dy8 1PH
BANKERS	HSBC UK PLC
SOLICITORS	Bates Wells Braithwate, London
WEBSITE	www.enactusuk.org
COMPANY NAME	Enactus UK
COMPANY NUMBER	04358202
CHARITY NUMBER	1155261

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements of the charitable company for the period ended 31st December 2020.

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FOREWORD

This, our seventh full year as a charity, has been a very interesting year for Enactus UK and the whole world. The pandemic has made the work undertaken by our students and supported by our funders and sponsors even more important.

Promoting youth social action and social enterprise is at the heart of what we set out to do; encouraging and harnessing the energy and drive of our participating students, while leveraging the capabilities and skills of industry and commerce through our sponsors and partners. The combination helps us deliver the fulfilment of good deeds and intentions on an ever-larger scale.

Importantly, the individual project beneficiaries - of all ages - both gain confidence and gain directly from learning and acquiring new skills; this helps increase their employability as well as their own capacity for self-help.

Young people under 25 years old are our key target in terms of those helping create and deliver their projects; critically they also benefit themselves from developing their own talents and social enterprise capabilities. As we recover from the pandemic our aims for creating more of a fair society and developing our young people is more critical than ever. Our long-standing core activity is the promotion and facilitation of social enterprise projects through UK universities and their students. In 2020, our programme involved over 60 universities, 30 partners and sponsors, and over 2,600 students. The projects created improved the lives of people in local communities - as well as benefitting the lives and outlook of the students themselves.

Most of the projects rightly focus on the significant problems faced by, and the needs of, individuals and communities around the universities and their local regions, but the students from several of the Universities also carry out international projects which can often bring an additional life-saving dimension and scope to their activities.

During 2020, we continued to expand our schools programmes, reaching out to that key, but often-neglected group - potentially under-achieving 13 to 18 year-olds. Our projects in the Yorkshire and East Midlands regions have received strong support from local schools, sponsors, The Big Lottery Community Fund and foundations. We see the expansion of these programmes as a key part of our proposition over the next few years

I would like to thank all those involved - the students, our business partners and their employees, our Enactus UK alumni, and also both the many individual mentors and university staff for their encouragement of the students. I would also like to thank the Enactus UK executive team for their dedication. They may be small in numbers but their impact has been massive. In this most challenging of years they have dealt with everything thrown at them with creativity, speed and always with a smile on their faces.

Finally, I would like to thank the trustees for all their help and support. Despite them giving their time for free they are always available to help and support me and the executive team. In the autumn Gillian Smith made the decision to step down as a trustee at the end of the year. I would like to thank Gillian for all of her help. Also at the year end, Dr. Emyr Williams resigned as a trustee. Emyr has been involved with Enactus since 2001 when Enactus originated in the UK. This was before the launch of the charity and when we were known as SIFE. Emyr will be greatly missed for his wisdom, deep knowledge and humour. We wish Emyr a long and fruitful retirement.

We will be reviewing our board of trustees in 2021 as we embark on the next phase of our exciting journey.

You will find a summary of the very wide range of activities undertaken in 2020 through Enactus UK, in order to successfully deliver against our aims and objectives, within this report.

Robin Lassiter
Chair

TRUSTEES' REPORT

Context

The United Nations Sustainable Development Goals (SDGs) provide the UK with a unique opportunity to eradicate poverty, reduce inequalities, combat catastrophic climate change and protect our natural environment by 2030. While there is an enormous amount to celebrate, the most vulnerable places and people in our society are increasingly being left behind.

We have a food system that struggles to provide healthy, sustainable, diverse diets for everyone in the UK. We have high and growing levels of obesity, and the highest levels of household food insecurity in Europe. Calories from healthy food consistently cost more than calories from unhealthy foods. And the wealthier you are, the higher portion of household income is assigned to consuming vegetables. This has a direct impact on health and wellbeing, with obesity and poor diet linked to key health issues including heart disease, diabetes and cancer. Poverty was once considered a concern of more 'developing countries' than the UK, and yet we have recently seen the emergence into public awareness the levels of 'period poverty among young girls in the UK and the fact that the number one reason why under ten-year-olds attend Accident & Emergency is dental poverty. We live surrounded by the 26% of young people on free school meals who will never fully participate in sports or the arts.

As well as government, business and enterprise has a critical role in delivering the solutions and support to the above, and in so doing, aid the implementation of the SDGs. Some UK businesses and social enterprises have already positively responded to these challenges and the SDG agenda, recognising the economic opportunities as well as the environmental urgency. We work to engage businesses of all sizes to review how they can collaborate with the future generation of responsible leaders and help address these challenges and meet the delivery of the SDGs in the UK, and to collaborate with others to address them. We call this environment Enactus – entrepreneurial action for the benefit of all of us.

Delivering our aims and objectives

Enactus is the UK's leading combined youth social action and youth social enterprise charity supporting teams of over 2,600 from across the UK of our young future socially responsible leaders each year. Our mission in the UK is to grow in scale the impact of a national network of more environmental and socially-minded young leaders who experience the practical action of transforming local communities and society through real-life social action and environmentally responsible enterprise.

Enactus UK is dedicated to creating a better world while developing the next generation of entrepreneurial young leaders and social innovators. The Enactus network of business, academic and young leaders are unified by our vision—to create a better, more sustainable world. At Enactus, we believe investing in young leaders who take entrepreneurial action for others creates a better world for us all.

Our students each year are entrepreneurial, values-driven social innovators across 60 university campuses, positively impacting the lives of people each year. Guided by educators and supported by business leaders, our young teams conduct needs assessments in their communities, identify potential solutions to complex issues and implement community impact projects. This results in communities benefiting from collaboration and fresh innovation, plus students gain the valuable experience to advance their personal and professional lives. As in business, we believe that competition encourages innovation. For Enactus, this means more lives impacted every day.

With a head for business and a heart for the world, we live our values of integrity, passion, innovation and collaboration.

The charity aims to advance education and learning in business, commerce and entrepreneurship, with a particular focus on developing social enterprise. The charity aims to promote industry, commerce, and social enterprise which:

- relieves poverty
- enables employment
- advances health
- advances environmental protection
- delivers sustainability

This enables the advancement in life of young people through the provision and facilitation of support, training and development activities to deliver projects which develop their skills, capabilities, and leadership capacity. This helps them to participate in society as mature, responsible and socially conscious individuals.

However, we believe there is more we can do to develop young leaders and we are very excited to have maintained our schools programme in 2020 – NextGenLeaders, taking the benefit and experience of Enactus into schools despite the lockdown with a focus on those with the higher percentage of students on free schools-meals in Yorkshire and the East Midlands.

The schools programme:

- Delivers a youth led and free to pupils (years 9-13) and schools, and concentrate on enabling practical action undertaken by young people in the service of others to create positive change in their local communities.
- Leverages our national recognised University programme we will install and run an annual regional competition to recognise the achievements in social action and enterprise for young people up to 18 year-old students.
- Provides support for teachers and students to equip them with the skills, knowledge and inspiration to help pupils about local communities, their challenges and the society that surrounds them.
- Provides opportunities for a diverse group of students to gain access to employment development, insights and inspiration into the world of work and to learn and be motivated to invest in learning by opportunities that exist, either in large employers or as an entrepreneur.

IMPACT REPORT

Overview of the Enactus University Programme

Enactus UK succeeded in growing the programme of social impact and innovation in 2020 despite the lockdown. In terms of widening participation, the number of educational partners in Higher Education increased to 65. The number of young people registered as active Enactus team members numbered over 3,036 this year (an increase from 2,600 in 2019). Enactus UK invested £45,000 in social enterprise projects in 2020.

We look forward to further growth in both the number, and diversity of young people involved in 2021, including the expansion of the programme into more areas of the UK.

Our network of 3,000+ students invested 470,280 hours, supported by over 250 business, alumni and academic volunteers and mentors, and delivered:

- Over 219 social enterprise projects in 26 countries.
- A measureable improvement in the livelihoods of local people impacting 7,128 beneficiaries ranging in age from 0 to 94 years old.
- Projects impacting all 17 of the UN SDG's.

As a result of our impact assessment, we can report the following outcomes delivered by the programme, including:

- 41 new jobs created.
- 1,762 people given access to improved education.
- 328 Tonnes of CO2 saved.
- 21 new businesses created.
- 2,537 people given access to healthy food.

Overview of the Schools Programme - NextGenLeaders

In early 2020, we expanded our two pathfinder programmes in Yorkshire and the East Midlands growing participation across both regions. While maintaining a focus on encouraging the participation of schools and colleges with the highest levels of Pupil Premium and Free School Meals, schools from the previous year increased their participation in addition to new schools, projects and project partners.

For the remainder of 2020 the NextGenLeaders programme was effectively in hibernation pending return to school for teachers and students due to the lockdown, however the focus on the charity centred on the opportunity to address the growing digital and social mobility divides.

Closing the Digital Divide

A series of events and circumstances combined during 2020 to lead to the ideation and launch of a small project, namely:

- The need to further develop our unique value proposition of addressing the decline in self or independent-study skills in young people (Year 7+).
- The effects of the lockdown on accessibility to teaching materials and teachers. For example, the Year 10 students in one of our schools did not receive any teaching at all between March 2020 and September 2020.

During 2020, we produced and distributed an article to bring these two topics to life combined. In 2020, our CEO was invited to speak on this topic at the Schools and Academies Show (November 2020).

We launched the 'Race to close the Digital Divide' in 2020 to all the Enactus teams and offered support and resources to accelerate progress including:

- Direct introductions to schools to speed up relationship building (in Leeds and Nottingham/East Midlands).
- The provision of over 7 recycled old laptops from Enactus UK to start the process to the first team that successfully launched the project.
- The purchase of a laptop trolley for the first school.
- Support to reach out to the Enactus network to enlist the provision of video content and digital learning assets.

In December 2020, we launched a crowdfunding page to further generate funding to support projects in this impact area.

Disadvantaged Students-Closing the Digital Divide



The screenshot shows a GoFundMe page for a fundraiser titled 'NEXT GEN LEADERS'. The main image on the left has the text 'NEXT GEN LEADERS' in large, bold, yellow letters on a dark background. To the right of the image, the fundraising details are displayed: a target of £15,000, a 'Share' button, a 'Donate now' button, and a prompt to 'Become the first supporter'. Below these buttons, there is a 'GOFUNDME GUARANTEE' section with text stating: 'In the unlikely event that something isn't right, we will work with you to determine if misuse has occurred.' At the bottom of the page, it says 'Maisie Packard is organising this fundraiser on behalf of Enactus UK.' with a small profile icon and a green checkmark.

As a result of the funding from Badhur Foundation, we launched two additional projects to address the digital divide in two schools in Nottingham and Nottinghamshire.

Future plans and impact of Covid-19 on our operations

In March 2020, the escalating CV-19 pandemic resulted in significant economic and societal disruption across the UK and significantly affected the operations of many of our university and corporate partners. We responded swiftly to the developing situation, following government and medical advice at all times in order to safeguard our people, network and project beneficiaries.

The closure of all schools and university campuses in mid-March temporarily reduced and in some cases curtailed all ongoing programme activities. However, participation in the university programme actually increased albeit virtually. Four schools in the NextGenLeaders programme maintained student engagement in their projects and will receive certification in 2021 even though the competition events were cancelled.

In 2020, some of the corporate sponsors of the university programme withdrew their support in addition to the action taken by the Big Lottery Local Community Fund to re-direct funding towards Cv-19 front line charity operations. We therefore anticipate the need to operate at a lower level of resource capacity during 2021 until the situation recovers.

As explained in more detail later in this report, the organisation remains on a solid financial footing despite the pandemic and has adequate reserves to sustain all core activities over the medium term. We are nevertheless continuing to look at costs and areas of low priority spend in anticipation of volatility in future income levels.

GOVERNANCE

Governing Document

Enactus UK Limited is a charitable company limited by guarantee (under company number 04358202), incorporated on 22nd January 2002 and registered as a charity on 9th January 2014 (under charity number 11552621). The charity is governed by its Articles of Association which established the objectives and powers of the charitable company. In the event of the company being wound up, members are required to contribute an amount not exceeding £1.

Public benefit

The charity's charitable purpose is enshrined in its objects which are for the public benefit:

A) the advancement of education and learning in business, commerce and entrepreneurship with a particular focus on social enterprise;

B) the promotion of industry, commerce and social enterprise which:

- 1) relieves poverty,
- 2) relieves unemployment,
- 3) advances health,
- 4) advances environmental protection or improvement and sustainable development; and

C) the advancement in life of young people up to the age of 25 (and mature or graduate students enrolled in a programme of further, higher or post-graduate education) through the provision and facilitation of support, training and projects which develop their skills, capacities and capabilities to enable them to participate in society as mature, responsible and socially conscious individuals.

The trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit, "Charities and Public Benefit" in setting the charity's objectives and carrying out its activities.

The trustees ensure that the charity's charitable purpose is carried out for the public benefit through planning and monitoring activities.

Charity Governance Code

The trustees are aware of the principles of the Charity Governance Code for smaller charities and regularly considers how to apply those principles in practice to its governance arrangements. The charity meets most of the key outcomes set out in the Code and is reviewing the feasibility and desirability of adopting the range of recommended practice set out in the Code.

Equality, Diversity and Inclusion

The trustees recognise why EDI is important for the charity and regularly assess the current level of understanding across the organisation. This includes thinking about and setting appropriate targets tailored to the charity, monitoring their status and ensuring the right level of transparency of the charity's progress. Trustees understand their safeguarding responsibilities and have established appropriate procedures that are integrated with the risk management approach of the charity. This includes ensuring that everyone in contact with the charity knows how to speak up and raise concerns.

Recruitment and Appointment of Trustees

The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31st December 2020. The trustees have adopted the provisions of the Statement of Recommended Practices (SORP) 'Accounting and Reporting by Charities' issued in March 2005. Under the requirements of the company's articles the trustees are elected to serve for a period of three years after which they must be re-elected at the next Board Meeting.

All the trustees give their time and expertise voluntarily and receive no remuneration or other benefits from the charity. Any expenses reclaimed from the charity are set out in the notes to the accounts.

The more traditional business and trust governance skills are represented on the Board. In an effort to maintain and develop this broad skill mix, trustees will be requested to provide a list of their skills (and update it each year) and in the event of particular skills being lost due to retirements, individuals are approached to offer themselves for election to the Trust Board.

Trustee Induction and Training

Where there is a requirement for a new trustee, this would be identified and the appointment made by the remaining trustees. The chair of the trustees is responsible for the induction of any new trustee, which involves awareness of a trustee's responsibilities, the governing document, administrative procedures, the history and philosophical approach of the charity.

Many trustees are already familiar with the practical work of the charity having been involved in activities such as the National Competition, and the training and mentoring of Enactus students and teams.

Additionally, new trustees will be invited and encouraged to attend a series of short sessions to familiarise themselves with the charity and the context within which it operates. These are jointly led by the Chair of the Board and the secretary of the charity. These cover:

- the obligations of Board members
- the main documents which set out the operational framework for the charity including the Memorandum and Articles
- resourcing and the current financial position as set out in the latest published accounts
- future plans and objectives

An information pack will be provided drawing guidance from the various Charity Commission publications signposted through the Commission's guide "the Essential Trustee" as a follow up to these sessions. This will be distributed to all new trustees along with the Memorandum and Articles and the latest financial statements.

Risks and Risk Management

The Trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. In accordance with the Charity Commission's guidelines on risk management, with the assistance of Management, the Trustees oversee a risk register, outlining the potential financial, governance, operational, external and compliance risks the charity could face, weighing the likelihood and potential impact of each and the current and proposed actions required to mitigate those risks as appropriate. The register is reviewed regularly by the Trustees, who are satisfied that systems are in place to mitigate identified risks to an acceptable level.

In general, all necessary insurance covers are in place having recently been upgraded, and are reviewed as part of this risk management process. Internal control risks are minimised by the implementation of authorisations for all major transactions and projects. Measures are in place to ensure compliance with the health and safety of staff, volunteers, clients and visitors to Enactus activities in the UK.

Where appropriate, further systems or procedures will be established to mitigate the risks the charity faces. Where significant risks to external funding arise a strategic plan which will allow for the diversification of funding and activities will be developed.

The principle risks and uncertainties identified by the Trustees for the charity are as follows:

- Fundraising risk.
- Liquidity and income risk.
- Operational – loss of volunteers due to CV-19.
- Operational delivery – CV-19 general disruption and capacity loss.

The measures taken by the charity to mitigate these risks are as follows.

Fundraising risk.

This is the risk that the level or mix of unrestricted and restricted income is insufficient to maintain or expand our social mission and impact. Enactus UK Trading operates as a business-driven organisation governed by representatives of its corporate sponsors through strategic partnerships. Enactus UK Trading Ltd. has retained a pipeline of new sponsors to replace those lost in 2020 due to economic circumstances. The trustees are of the view that many of the decisions to withdraw sponsorship in 2020 will be reverse in 2021/22 in addition to new revenue streams from target sponsors as a result of additional efforts in support of business development by the trustees and retained trading board members.

Liquidity and income risk.

Gross income streams can be volatile whereas. The underlying cost base, which is principally staff and associated costs, is relatively stable and recurring.

The Board seeks to maintain a prudent level of free reserve cover to cope with any fluctuations in income and thereby ensure running costs can be met and that charitable activities can continue to be delivered without significant disruption. The combination of different income streams of the Trading subsidiary and the charitable company is also a key part of the strategy to manage volatility in income streams as it provides cost synergies as well as complementary income streams.

Operational – loss of volunteers.

The charitable group engages the support of 3,000 student volunteering over 470,000 hours of time commitment in addition to the support of some 250 mentors and coaches from corporate partners and therefore we have the logistical risks associated with travel and engagement with teams and their projects during lockdown. We continue to monitor levels of virtual engagement and support and have plans for the re-establishment of face-to-face support in 2021 once lock down restrictions are lifted.

Operational delivery – general disruption and capacity loss.

The COVID-19 lockdown presented a key 'risk' and 'uncertainty' during the period in terms of our ability to maintain our capacity and ultimately the sustainability as an organisation. COVID-19 affected income levels, programme delivery, and required provisions to be made to safeguard the health and safety of staff. The UK Governments support schemes as well as local grants were fully utilised as much as possible while maintaining programme delivery.

Organisational Structure

Enactus UK has a Board of a minimum of four trustees who meet at least three times a year and are responsible for the strategic direction and policies of the charity. The membership is currently made up from a variety of professional backgrounds relevant to the work of the charity. The company secretary also participates in meetings of the Board, but has no voting rights.

A scheme of delegation is in place and day to day responsibility for the provision of Enactus activity and services rests with the Chief Executive. The Chief Executive is responsible for ensuring the charity delivers the services specified and that key performance indicators are met. The Chief Operating Officer has responsibility for the day to day operational management of Enactus activities. The Chief Executive has responsibility for the supervision of all charity and trading company staff.

Related Parties

The charity has a wholly-owned subsidiary, Enactus UK Trading Limited, which exists to carry out trading activities with a social purpose (social enterprise) in order to generate funds for the charity. The subsidiary is overseen by a Board of Directors appointed by the charity.

Responsibilities of the Trustees

Company law requires the Board of trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the Charitable Company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing the following statements, the trustees have selected suitable accounting policies and then applied them consistently, made judgements and estimates that are reasonable and prudent; and prepared the statement on the going concern basis.

Membership of the Trust Board

Members of the Board, who are directors for the purpose of company law and Trustees for the purpose of charity law, who served during the year and up to the date of this report are set out on page 2.

In accordance with company law, as the company's directors, we certify that this report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Remuneration Policy

The trustees consider the board of trustees and the Chief Executive Officer to comprise the key management personnel of the charity in charge of directing, controlling, running and operating the charity on a day-to-day basis.

The salaries of the CEO and all staff are reviewed periodically and benchmarked against comparable salary levels against similar roles in similar-sized charities, and salaries are adjusted as appropriate. In other years, a cost of living increase is considered for eligible staff.

FINANCIAL REVIEW

Overview

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

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "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) (effective 1 January 2019)."

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Principal Funding Sources

The principal funding source for the charity in 2020 was income from Enactus UK Trading subsidiary and foundation grants including one from the Big Lottery Community Fund. Ongoing engagement and discussions with charitable foundations is proving useful in identifying possible opportunities for a much wider range of funding for the future. Discussions with potential partners are also centred on the potential for contract income in the future.

Investment Policy

Aside from retaining a prudent amount in accessible cash reserves each year, the trustees have decided to invest the remaining reserves in investment funds.

Reserves Policy

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to at least three and six month's expenditure of both the charity and the subsidiary. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

Preparation of accounts on a going concern basis

The trustees consider there are no material uncertainties about the charity's ability to continue as a going concern. The review of our financial position, reserves levels and future plans give trustees confidence the charity remains a going concern for the foreseeable future. The trustees have reviewed the guidance on the implications of Covid-19 control measure and charity financial reporting in the preparation of this trustee report.

Plans for Future Periods

The charity plans to continue the activities outlined above in the forthcoming years subject to satisfactory funding arrangements. Plans are also being developed to work on a number of schemes to reduce costs and increase the value and range of revenue streams.

Approved by order of the Trustees on 19th May 2021 and signed on its behalf by:



Signed by Robin Lassiter – Chair of the trustees.

Charity Registration No. 1155261

Company Registration No. 04358202 (England and Wales)

ENACTUS UK
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

ENACTUS UK

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ENACTUS UK

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF ENACTUS UK

I report to the trustees on my examination of the financial statements of Enactus UK (the charity) for the year ended 31 December 2020.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.



J L Swann BA (Hons) BFP FCA
Azets

1st Floor
Copthall House
1 New Road
Stourbridge
West Midlands
DY8 1PH

Dated: 19 May 2021

ENACTUS UK

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £
<u>Income from:</u>					
Donations and legacies	3	112,941	27,014	139,955	82,744
Charitable activities	4	2,000	-	2,000	4,230
Investments	5	854	-	854	19,155
Total income		115,795	27,014	142,809	106,129
<u>Expenditure on:</u>					
Charitable activities	6	44,824	27,014	71,838	60,192
Net income for the year/ Net movement in funds		70,971	-	70,971	45,937
Fund balances at 1 January 2020		304,523	-	304,523	258,586
Fund balances at 31 December 2020		375,494	-	375,494	304,523

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

ENACTUS UK

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Investments	11		1		1
Current assets					
Cash at bank and in hand		301,427		315,337	
Creditors: amounts falling due within one year	12	<u>(5,934)</u>		<u>(10,615)</u>	
Net current assets			<u>375,493</u>		<u>304,523</u>
Total assets less current liabilities			<u>375,494</u>		<u>304,523</u>
Income funds					
Unrestricted funds			<u>375,494</u>		<u>304,523</u>
			<u>375,494</u>		<u>304,523</u>

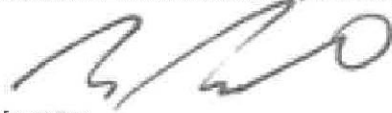
The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2020.

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 19 May 2021



Mr R Lassiter
Trustee

Company Registration No. 04358202

ENACTUS UK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Charity information

Enactus UK is a private company limited by guarantee incorporated in England and Wales. The registered office is 7 Wadkins Way, Bushby, Leicestershire, LE7 9NA.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Grant income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

ENACTUS UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

1.5 Expenditure

Expenses are included in the financial statements as they become due.

Expenses include VAT where applicable as the charity cannot reclaim it.

Support and governance costs are those costs that assist the work of the charity but do not represent charitable activities. They are incurred directly in support of expenditure on the objects of the charity.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	33% on cost
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

ENACTUS UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.9 Taxation

The charity is exempt from corporation tax on its charitable activities.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in net income/(expenditure for the period.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds
	2020	2020	2020	2019
	£	£	£	£
Donations and gifts	105,542	27,014	132,556	82,744
Grants receivable	7,399	-	7,399	-
	<u>112,941</u>	<u>27,014</u>	<u>139,955</u>	<u>82,744</u>

During the year the charity received government grants of £7,399 (2019: nil) for retaining staff unable to work and on furlough.

ENACTUS UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

4 Charitable activities

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Other income	<u>2,000</u>	<u>4,230</u>

5 Investments

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Donation from subsidiary	-	19,000
Interest receivable	<u>854</u>	<u>155</u>
	<u>854</u>	<u>19,155</u>

ENACTUS UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

6 Charitable activities

	Unrestricted funds 2020 £	Unrestricted funds 2019 £
Staff costs	31,156	20,667
Enactus worldwide fees	25,235	25,371
Travelling and meetings	945	2,892
Legal fees	-	2,710
Programme delivery costs	7,914	948
	<u>65,250</u>	<u>52,588</u>
Grant funding of activities (see note 7)	1,162	715
Share of support costs (see note 8)	2,252	3,896
Share of governance costs (see note 8)	3,174	2,993
	<u>71,838</u>	<u>60,192</u>
Analysis by fund		
Unrestricted funds	44,824	60,192
Restricted funds	27,014	-
	<u>71,838</u>	<u>60,192</u>
For the year ended 31 December 2019		
Unrestricted funds	<u>60,192</u>	

7 Grants payable

	Unrestricted funds 2020 £	Unrestricted funds 2019 £
Grants to institutions:		
Other	<u>1,162</u>	<u>715</u>

ENACTUS UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

8 Support costs

	Support costs	Governance costs	2020 Support costs	Governance costs	2019
	£	£	£	£	£
Exchange Losses	212	-	212	174	174
General admin costs	1,961	-	1,961	3,629	3,629
Bank charges	79	-	79	93	93
Accountancy	-	3,174	3,174	-	2,993
	<u>2,252</u>	<u>3,174</u>	<u>5,426</u>	<u>3,896</u>	<u>6,889</u>
Analysed between Charitable activities	<u>2,252</u>	<u>3,174</u>	<u>5,426</u>	<u>3,896</u>	<u>6,889</u>

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

10 Employees

Number of employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
	<u>1</u>	<u>1</u>
Employment costs	2020 £	2019 £
Wages and salaries	28,250	19,800
Social security costs	2,058	399
Other pension costs	848	468
	<u>31,156</u>	<u>20,667</u>

There are no employees who received total employee benefits (excluding employer pension costs) of more than £60,000.

ENACTUS UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

11 Fixed asset investments

	Other investments
Cost or valuation	
At 1 January 2020 & 31 December 2020	<u>1</u>
Carrying amount	
At 31 December 2020	<u>1</u>
At 31 December 2019	<u>1</u>

	Notes	2020 £	2019 £
Other investments comprise:			
Investments in subsidiaries	16	<u>1</u>	<u>1</u>

12 Creditors: amounts falling due within one year

	2020 £	2019 £
Other taxation and social security	760	434
Amounts owed to subsidiary undertakings	-	10,223
Other creditors	214	158
Accruals and deferred income	<u>4,960</u>	<u>-</u>
	<u>5,934</u>	<u>10,815</u>

ENACTUS UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

13 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds		Movement in funds		
	Incoming resources	Balance at 1 January 2020	Incoming resources	Resources expended	Balance at 31 December 2020
	£	£	£	£	£
D M Thomas Foundation	-	-	2,954	(2,954)	-
SAP	-	-	4,960	(4,960)	-
Big Lottery Grant	-	-	19,100	(19,100)	-
	<u>-</u>	<u>-</u>	<u>27,014</u>	<u>(27,014)</u>	<u>-</u>

Purpose of Restricted Funds

The D M Thomas Foundation provided funds for a special competition focussed on waste management.

SAP provided funds to run a special competition which focussed on projects that used Tech for Good.

The Big Lottery Grant was to fund the Charity's schools' programme in Yorkshire and the East Midlands.

14 Members' liability

The charity is limited by guarantee, not having a share capital and consequently the liability of the members is limited, subject to an undertaking by each member to contribute to the net assets or liabilities of the charity on winding up such amounts as maybe required not exceeding £1.

15 Related party transactions

Transactions with related parties

During the year the charity entered into the following transactions with related parties:

During the year the charity received donations of £nil (2019 £19,000) from Enactus UK Trading Limited, its trading subsidiary.

At 31 December 2020, there was an amount of £nil owed to Enactus UK Trading Limited. (2019 £10,223).

ENACTUS UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

16 Subsidiaries

These financial statements are separate charity financial statements for Enactus UK.

Details of the charity's subsidiaries at 31 December 2020 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Enactus UK Trading Limited	United Kingdom	Training and Sponsorship	No shares issued	100.00	