



The Virgin Foundation known as Virgin Unite

*(a company limited by guarantee)*

Report and Consolidated Financial Statements

**For the period ended  
31 December 2017**

Company No: 2155645 (England and Wales)

Charity No: 297540



# Virgin Unite Annual Report 2017

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## LETTER FROM THE TRUSTEES

### Message from Holly Branson (Chair of Trustees) and Jean Oelwang (President)

2017 saw some incredible highlights for Virgin Unite on our journey to bring together people and entrepreneurial ideas to create opportunities for a better world. We recognise that collaborations across sectors is one of the most powerful ways of creating solutions; sharing and learning from different approaches, sparking new ideas and driving a commitment to action.

This annual report celebrates our projects and initiatives and the wonderful partners and people who we are fortunate enough to work with who enable us to challenge failing systems, address tough to tackle problems head-on and deliver solutions that last for the long run.

Ten years ago we incubated The Elders, an independent group of global leaders who work together for peace and human rights. In 2017, we supported The Elders to launch their #WalkTogether campaign to celebrate their 10<sup>th</sup> anniversary. The campaign organised public events in London, Cape Town, New York and Buenos Aires, and published and promoted 100 Sparks of Hope stories. These “Sparks of Hope” organisations embody the Elders’ vision for a freer, fairer world through their work for peace, health, justice and equality around the world. We were also privileged this year to support Ocean Unite, who we incubated in 2015, to launch “The Ocean is Everybody’s Business” campaign. The campaign was designed to engage the business community, raise awareness among consumers, and kick-start a decade of action to shift the Ocean from a trajectory of decline to one of recovery. It was wonderful to see 51 companies get involved in the campaign, with the campaign hashtag receiving 128m impressions on twitter.

In 2017, The B Team joined forces with partners to create the “We are Still In” campaign in support of the Paris Climate deal, and we worked with them to launch 100% Human in Australia and South Africa. We hosted three successful criminal justice events bringing together donors and NGOs in the space, and worked with our partner Big Change to hold a “re-imagining education” gathering.

In September 2017 some of the strongest Hurricanes in recorded history tore across the Caribbean leaving devastation in their wake. In the immediate aftermath we worked with Unite BVI and Virgin Limited Edition to provide aid to communities and to raise \$2.5m (c.£1.8m) through the BVI Community Appeal Fund for relief and the long term reconstruction of the BVI. We are now focused on the long term recovery and are supporting Caribbean leaders to develop the Caribbean Climate-Smart Accelerator.

We agreed to supporting two incredible health initiatives in 2017, who we will support over the next four years; Sightsavers who we will support to treat over 40 million people in Africa for Trachoma, eliminating the disease in nine countries, and Living Goods and Last Mile Health, who we will support to enable digitally empowered community health workers across Sub-Saharan Africa.

None of this would be possible without our wonderful community of change makers with whom we look forward to continuing to work with to tackle some of the tougher challenges the world faces and to celebrate some of the extraordinary people who are committing their lives to a better world.



Holly Branson, Chair of Virgin Unite



Jean Oelwang, President of Virgin Unite

## **REPORT OF THE TRUSTEES**

### **Managing Director**

R. Gray (resigned 2 July 2018)  
D. Gannon (appointed 2 July 2018)

### **Virgin Unite UK Board of Trustees**

H.K.T. Branson  
V. Branson  
J.S. Tewson (resigned 17 December 2017)  
A. Ahmed  
P. Norris  
J.M. Figueres (resigned 2 May 2017)  
J.A Brady (appointed 30 November 2017)  
N.J. Richards (appointed 9 May 2017)  
J.M Oelwang

### **Secretary**

C.M. Howes

Company Number: 2155645 - Registered in England and Wales  
Charity Number: 297540

Registered office: Hanover House, 14 Hanover Square, London, W1S 1HP, United Kingdom  
Auditors: KPMG LLP, 15 Canada Square, London, E14 5GL

Solicitors: Harbottle & Lewis, Hanover House, 14 Hanover square, London, W1S 1HP

Bankers: Lloyds TSB Bank plc. PO Box72, Bailey Drive, Gillingham Business Park, Gillingham, Kent, ME8 0LS

# **VIRGIN UNITE 2017 HIGHLIGHTS**

## **INTRODUCTION: UNITING TO CHANGE THE UNACCEPTABLE**

2017 was the first year of our three year strategy, taking us to 2020. In our strategy we have detailed planned activities and the impact we hope to contribute for each of our eleven focus areas listed below. We are proud to collaborate with many organisations working towards the same goals, which is why we talk about “contributing to” impact rather than delivering it singlehandedly.

## **OUR APPROACH TO CHANGE: WHY WE'RE DIFFERENT**

### Identifying issues

We work with experts to identify and explore the unacceptable issues we feel we can uniquely impact. Issues where we can use our ability to bring people together to create change.

### Collaboration and convening

We believe in the power of collaboration, bringing together non-profits, governments, academic institutions, multilateral organisations, businesses, and members of our community to share expertise, pool resources and progress faster.

### Innovate and incubate

Next we apply the entrepreneurial Virgin spirit. We incubate innovative new solutions, new organisations, and support partners with ground-breaking approaches to creating change. Since launch, we have incubated a number of organisations including The Elders, Carbon War Room, The B Team and Ocean Unite.

### Reaching impact at scale

In time, the organisations we have incubated become independent and those we've supported become fully established. Ongoing, we provide funding and organisational support to help these partners scale their work and communicate their successes to a much wider audience.

## **AREAS OF FOCUS**

In 2017, we focused on achieving impact in the following areas:

1. Ocean Protection
2. Access to Clean Energy
3. Climate Change
4. Empowering Entrepreneurs
5. Shaping the Future of Business
6. Sustainable and Affordable Food
7. Hurricane Response
8. Human Dignity
9. Criminal Justice
10. Drug Reform
11. Rethinking Education

## OCEAN PROTECTION

### The road to 2020

At the beginning of 2017, our target was to support the protection of the Ocean (currently less than 3.6% of the Ocean is safeguarded), working with others to achieve 10% protected by 2020. This is part of a wider goal to reach 30% of the Ocean protected by 2030.

### Why protect the Ocean?

The Ocean covers 71% of the Earth's surface, and provides wide-ranging value from food to tourism and employment. However, its capacity to provide food and support livelihoods is diminishing rapidly, and the depletion of marine ecosystems jeopardises economic, social and political stability.

### What are we doing?

In 2015 we launched Ocean Unite, an organisation designed to unify, amplify and engage impactful voices calling for Ocean protection so that they can drive positive conservation outcomes. This year we have provided financial and in-kind support to Ocean Unite so that they can deliver both on-the water outcomes and amplify their Ocean conservation message.

### Success so far

- The world's **largest marine protected area** at 1.55m km<sup>2</sup> came into force in the Ross Sea, Antarctica, thanks to Ocean Unite's work.
- Ocean Unite launched "**The Ocean is Everybody's Business**" initiative to engage the business community to take concrete action on Ocean conservation. The initiative's hashtag achieved 128 million impressions on Twitter.
- Ocean Unite grew their **network** to 32 global political and business leaders and social media influencers from around the world. The network is working with Ocean Unite to build awareness about the state of the Ocean and leading action around solutions to restore and revitalise it.
- Ocean Unite worked on successful proposals to create **protected areas of the Ocean** in Chile, Dominican Republic and in Mexico, creating the largest marine reserve in North America.

## **ACCESS TO CLEAN ENERGY**

### The road to 2020

At the beginning of 2017, our target was to support 10 countries in Sub-Saharan Africa to catalyse access to clean and affordable energy. Over the next 3 years we plan to do this by working both at a systems level supporting Governments to develop integrated energy plans, and through supporting solar home system businesses to grow.

### Why does Africa need better access to clean energy?

Clean energy use will not only have huge positive impact on the environment, but will also directly benefit the population of the countries in which we work. Households with access to clean energy will make financial savings, suffer fewer illnesses, fires and deaths and their increased working or studying hours will support both education and economic growth.

### What are we doing?

We are working on two main projects to catalyse clean energy access. We have collaborated with Rocky Mountain Institute and the Rockefeller Foundation to develop the SEED (Sustainable Energy for Economic Development) programme, working with Governments, utilities, and private sector energy developers to build whole-systems energy programmes. In 2017 we have also supported the launch of Energise Africa, an online lending platform for pioneering solar businesses in Africa.

### Success so far

- **13,137 households** will receive clean energy through the funds raised on the Energise Africa platform as of the end of 2017.
- **The SEED programme** has developed clean energy plans in Uganda, Rwanda and Sierra Leone, some elements of which have already been implemented. Two new countries are now in the pipeline.
- **£1m has been raised** from the UK public, alongside £0.7m of matched funding from partners, for off-grid solar companies on the Energise Africa platform.

## CLIMATE CHANGE

### The road to 2020

At the beginning of 2017, our target was to support 2,600 megatons of carbon emissions reduction, and to contribute to Net Zero goals through our support of the Rocky Mountain Institute and our work with The B Team. This included support of their work in shipping efficiency, reducing the carbon footprint of the trucking, aviation and mining industries, and catalysing an industry for the reduction of methane emissions.

### What's important about carbon reduction?

Although Carbon dioxide (CO<sub>2</sub>) is naturally present in the Earth's atmosphere, human activities such as the burning of fossil fuels have been increasing emissions since the industrial revolution. CO<sub>2</sub> emissions make up around 80% of all greenhouse gas emissions each year, which contribute to global warming by trapping heat in the atmosphere.

### What are we doing?

In 2009, Virgin Unite incubated Carbon War Room, an organisation designed to catalyse market-based solutions to climate change. A few years ago Carbon War Room merged with the Rocky Mountain Institute, and we continue to provide them with financial, communications and fundraising support. We are also working with another of our incubations, The B Team, on achieving Net Zero greenhouse gas emissions by 2050.

### Success so far

- Carbon War Room worked with Anglo American to model a **100% renewably-powered** concept mine.
- **Rocky Mountain Institute** won the National Academies grant to build a revolving fund for sustainable projects at airports.
- The B Team worked with partners on the formation of the **"We Are Still In"** coalition of coalitions, formed as a response to the US's intended exit of the Paris Agreement.
- Online portals were developed to help both the **trucking** and **shipping** industries to improve efficiency.



## EMPOWERING ENTREPRENEURS

### The road to 2020

At the beginning of 2017, we targeted ourselves to support entrepreneurs in the Caribbean, the UK and Sub Saharan Africa, proving them with access to business skills, networks and mentors to scale their businesses and empowering them to create 20,000 jobs by 2020.

### Why entrepreneurs?

At Virgin Unite, we believe entrepreneurs are the lifeblood of a booming economy and creators of social change. Entrepreneurial businesses can bring much needed streams of income, fresh opportunities and valuable services to the communities around them. That's why we're working on empowering entrepreneurs to launch and grow their businesses, which will in turn, impact the communities around them.

### What are we doing?

We partner with a number of projects supporting entrepreneurs. We incubated the Branson Centres of Entrepreneurship in South Africa and the Caribbean and the MaRS catalyst fund, and provide funds and in-kind support to organisations supplying training, mentorship and seed funding to early-stage entrepreneurs. In 2017, after over ten successful years we made the strategic decision to close our operation in South Africa, as there are now over 200 entrepreneur support organisations in the area.

### Success so far

- Entrepreneurs supported by the Branson Centre of Entrepreneurship in the Caribbean saw an **average income increase of 43%**.
- The **Branson Centre of Entrepreneurship Caribbean** relaunch in Kingston was a huge success allowing them to be immersed in the entrepreneurial hub of Jamaica and develop new products and services to further build the centre's impact in the region.
- The **MaRS catalyst fund** invested in five high-impact ventures, including two medical device companies.
- Through our partnership with Everwise and Virgin Start Up **over 240 entrepreneurs** were matched to mentors.

## SHAPING THE FUTURE OF BUSINESS

### The road to 2020

At the beginning of 2017 we targeted ourselves to support the growth of enlightened business leaders through The B Team, and to create a new vision for the future of work. A future where people are always put first, working through the 100% Human at Work programme to build a global network of over 100k companies by 2020, impacting over 5 million employees.

### Why business?

We believe that the private sector must take concerted, positive action to ensure business becomes a driving force for social, environmental and economic benefit. The time has also come for business to start thinking of people as human beings and not resources; the world of work is transforming and this is the subject of intense debate around the likely impacts on jobs, workers, wages, and society in the future.

### What are we doing?

In 2013, Virgin Unite and partners launched The B Team, a group of business leaders driving better ways of doing business, for the wellbeing of people and our planet. We continue to support the B Team strategically and financially, whilst providing project management for their 100% Human at Work initiative; building a global network, hosting gatherings in key international regions and helping to drive and engage in thought leadership around the future of work.

### Success so far

- Over **300 companies** have joined the 100% Human at Work network.
- B Team leaders used their voice to influence countries to commit to public registers of beneficial ownership, in order to **end anonymous companies**.
- The B Team developed a toolkit for use by 50 target companies to implement **climate competent boards**.
- **The B Team Africa** was founded and the 100% Human at Work programme was launched in Africa and Australasia in 2017.

## SUSTAINABLE AND AFFORDABLE FOOD

### The road to 2020

At the beginning of 2017, we targeted ourselves to contribute to ending hunger and malnutrition for 3 million farm families in sub Saharan Africa by 2020.

### How does farming end hunger?

Over 50 million smallholder farmers in Sub-Saharan Africa are locked in annual cycles of hunger because they're unable to grow enough food to feed their families. By providing these farmers with high quality fertilizer and seed on credit with flexible repayment, along with the training they need to use these tools effectively, farmers can increase their income and build their own path to prosperity.

### What are we doing?

In 2017, we committed to supporting One Acre Fund, an organisation working with farmers in Sub-Saharan Africa to eradicate hunger and poverty, to scale their work. We are funding them to grow the number of farming families they support from 445,000 to 3 million by 2020.

### Success so far

- By the end of 2017, One Acre Fund was directly supporting **583,000 farm families**.
- One Acre Fund is supporting farmers in **six countries** across Africa.
- One Acre Fund now has over **6,000 staff**, 95% of whom are living in rural areas.
- On average, farmers' incomes have increased by **\$150 per year**.
- Harvests and farming productivity amongst One Acre Fund's farmers have **improved by 50%**.

## HURRICANE RESPONSE

### The road to 2020

In September 2017 some of the strongest Hurricanes in recorded history tore across the Caribbean, leaving devastation in their wake. Recovery from these events will take many years, and we have committed to support the BVI to rebuild and develop over this time. We are also working with others to support a group of leaders in the Caribbean to form the 'Caribbean Climate Smart Accelerator', which aims to transform regional energy systems, build resiliency, and drive economic growth through attracting significant investment capital, ultimately to create the world's first climate smart zone.

### Why the Caribbean?

Both Virgin and Virgin Unite have strong connections to the Caribbean, especially the BVI, where Richard Branson lives. This connection allowed us to provide much needed relief in the immediate aftermath of the hurricanes. We know there is much more to do to help the BVI and wider Caribbean rebuild greener, smarter and better, and feel we are well placed to work with partners to deliver.

### What are we doing?

In the immediate aftermath, Unite BVI, Virgin Unite and Virgin Limited Edition were heavily involved in providing aid to communities, fielding incoming calls for help, and matching them to offers of support. Unite BVI continues to play a critical role in coordinating government, community and donor collaboration. We are now also focused on the long term recovery to support the government in building a "stronger, smarter, greener, better BVI."

### Success so far

- **\$2.5M (£1.8m)** was raised by the BVI Community appeal fund for relief and the long-term reconstruction of the BVI.
- **9,000kg of aid** and urgent medical supplies was delivered to the BVIs.
- We supported Caribbean Leaders to develop the **Caribbean Climate-Smart Accelerator**, announced at the One Planet Summit in Paris.
- Donations were made to **Red Cross, Team Rubicon UK and Serve On** to support the response efforts.
- Virgin Unite funded flights for **Virgin Care nurses** to relieve local nurses at Peebles hospital.
- Members of our **donor community** were some of the first to respond - personally flying aid to the area, running emergency evacuations, and donating essential funds. Their commitment is unwavering. Our community continues to host fundraisers, revitalize the area with volunteer tourism, and ensure the region stays in the spotlight.

## HUMAN DIGNITY

### The road to 2020

At the beginning of 2017, we targeted ourselves to support The Elders to reach their goals around justice, conflict resolution and eradicating poverty.

### What are the key issues facing the world today?

In 2017, the issues of climate change and inequality were more pressing than ever. The United States withdrew from the Paris Climate Agreement, the refugee crisis worsened as conflict and instability continued in the Middle East, and at least half the world's population live without access to essential healthcare.

### What are we doing?

Virgin Unite incubated The Elders in 2007, an organisation bringing together a group of global leaders to work towards peace and human rights. This year the Elders continued to support conflict resolution, promote Universal Health Care and regularly spoke out about the refugee crisis. In 2017 they also celebrated their 10th anniversary with the launch of their #WalkTogether campaign, and we continued to provide them with funding, communications and project management support to achieve their goals.

### Success so far

- **22 million people** were reached on social media by the launch of The Elders' #WalkTogether campaign.
- The Elders regularly spoke out about the **refugee crisis** and held a number of events around the UN general assembly.
- The Elders continued to support the **strengthening of the UN**, working with the UN Secretary General and the UN Security Council to achieve their goal of building a stronger, fairer, more transparent UN system.
- The Elders continued to promote **universal health coverage**, advising the President of Indonesia on creating one of the world's biggest public health systems.
- Virgin Unite **connected community members and leaders** behind Australians for Equality, Tom Snow and Brooke Horne, with Elder President Zedillo. President Zedillo immediately offered to help their cause. The support of The Elders aided progress in Australia's march toward equality and the passage of the marriage equality law.

## CRIMINAL JUSTICE

### The road to 2020

In 2017 we continued building the Criminal Justice Reform Collective and set the goal to catalyse \$0.5m (£0.38m) in donations in order to bring much needed funding to organisations working to reduce mass incarceration, recidivism, and the incidence of the death penalty.

### Why is criminal justice important?

We believe the narrative around criminal justice needs to change from one of solely punishment, bias and isolation to one of reform, opportunity and true justice. We need to stop locking up (or killing) people with addictions and mental health issues and start treating them like human beings and give them the healthcare and the opportunities they deserve. Currently 68% of people released from prison in the US reoffend within 3 years: by reducing this we can help break the cycle.

### What are we doing?

We are building a network of like-minded supporters from the donor, non-profit, and activist communities, making grants, convening events in order to shine a spotlight on unacceptable issues and pioneer organisations that are tackling them. By doing this we believe we can help these organisations reduce recidivism and change public perception of what constitutes justice.

### Success so far

- **\$1.5m (£1.1m) was raised** for frontline organisations tackling criminal justice reform.
- In 2017 we held **three successful events** bringing together donors and NGOs working in the space.
- We are partnering with The Last Mile to support the first **web development shop** inside a US prison.
- We have committed \$1m (£0.76m) over the next five years to support **The Bail Project** to free 126,700 people who can't afford bail.

## **DRUG REFORM**

### The road to 2020

At the beginning of 2017, we targeted ourselves to help change the way society views drugs and drug policy, from a criminal issue to a health issue.

### Why shouldn't drug use be a criminal issue?

The war on drugs isn't working. Over the last 100 years, billions of dollars have been spent, but the illegal trade is stronger than ever. And so is the cycle of violence that comes with it. We believe there is a fundamental problem with drug policies that criminalize people who use drugs rather than treating it as a health issue. Such policies contribute to the spread of HIV/AIDS and hepatitis, and to the global crisis of pain with the lack of access to essential controlled medicines.

### What are we doing?

We know it's time for a rethink, and that's why Richard Branson is part of the Global Commission on Drug Policy. Virgin Unite supports the Commission's work. Our goal is to raise awareness of the huge social and economic cost of the war on drugs. We want to see policies that treat drug use as a social and health challenge, not a crime.

### Success so far

- **The Global Commission on Drug Policy (GCDP)** published a report titled "The World Drug Perception Problem: Countering prejudices about people who use drugs".
- The GCDP issued a Position Paper to address the issue of **The Opioid Crisis in North America**.
- Advocacy efforts supported the implementation of **drug policy reform** in France, Ireland, UK, Norway, Denmark and Myanmar.
- A member of our community of supporters, who has been personally touched by addiction, connected Richard Branson to Public Radio Norway. Richard took part in a **live radio interview** discussing the Parliament of Norway's vote to decriminalise drug possession and use.
- **50 mentions per month** (on average) for the GCDP in the mainstream media.

## RETHINKING EDUCATION

### The road to 2020

At the beginning of 2017, we targeted ourselves to work with organisations who are reimagining education. The world has come a long way but education hasn't kept up and we think we can do better. We hope to make change by working with Big Change to rethink the education system in the UK, supporting Galactic Unite in their mission to inspire the next generation of STEM leaders, and supporting the launch of MASS Design Group's Africa Design Centre, providing much needed architectural training in Africa.

### Why do we need a change in the education system?

Education is the greatest lever for social change, yet the current system is failing to meet the needs of young people in the 21st Century. Unacceptable gaps in academic attainment, poor social mobility, rising mental health issues and a failure to provide young people with the skills they need for life in the 21st century are just some of the consequences of a system rooted in the needs of a bygone era.

### What are we doing?

We are supporting Big Change in their mission to set up young people to thrive in life, not just exams, and are working with them to explore an initiative on reimagining education. Working with Galactic Unite, we have given scholarships to STEM scholars to continue their education, and have worked with MASS Design Group on the launch of a ground breaking new architectural training centre in Africa.

### Success so far

- **Big Change** celebrated their fifth birthday, during which time they have backed 18 projects and grown their community to over 1,000 members.
- The Reimagining Education initiative driven by members of the Virgin Unite Community of Supporters **engaged and united 50 top leaders** and influencers across sectors to work together in calling for a change in education.
- Galactic Unite has engaged **over 50,000 children** across the world around space and the importance of STEM education.
- MASS Design Group's African Design Centre began construction on the Ruhehe School, which will serve a community of **over 22,000 people** once completed.



## **NEW IN 2018**

In July 2017 we committed to supporting two incredible health initiatives. The first is Living Goods and Last Mile Health, who we will (along with other funders) support to enable just under 50,000 digitally empowered community health workers across sub-Saharan Africa by the end of 2021, reaching a total of 34.3 million people. This will deliver life-saving, door-to-door, care at a cost as low as \$2 per person per year.

The second initiative will support Sightsavers to treat over 40 million people in Africa for trachoma - an infection of the eyes that results in blindness if untreated – eliminating the disease in nine countries. The team are also aiming to treat a further 20 million people for other neglected tropical diseases.

## **STATEMENT OF RESPONSIBILITIES OF THE TRUSTEES OF THE VIRGIN FOUNDATION IN RESEPECT OF THE TRUSTEES' ANNUAL REPORT AND THE FINANCIAL STATEMENTS**

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law they are required to prepare the group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the trustees 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 group and charitable company and of the group's excess of income over expenditure for that period. In preparing each of the group and charitable company financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the group's and the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the charitable company or to cease operations, or have no realistic alternative but to do so.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

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

## Financial Statements

### Governance

The Board of Trustees of Virgin Unite (the Charity) has overall responsibility for the Charity's direction, management and control; they are also directors under company law. The current Trustees were appointed to provide a range of voluntary sector and commercial experience appropriate to the Charity's intended activities. There is no constitutional requirement for Trustees to retire. Our Trustees are unpaid and details of Trustee expenses and any related party transactions are disclosed in notes 10 and 23 to the accounts. The Board of Trustees meets at least three times each year and the Charity is empowered to delegate its powers to committees of Trustees.

The Trustees have adopted a policy on relationships between the Charity and Virgin Group companies in order to ensure that conflicts of interest are properly managed (see Conflict of interest Policy, below) and that any private benefit to Virgin Group companies is minimal, and only a secondary outcome to the public benefit. Typically the Charity's senior management team is present at meetings of the Board of Trustees when appropriate and the Chair of the Board of Trustees is in regular liaison with the senior management team between meetings.

Day-to-day decisions of the Charity have been delegated to the senior management team and, where necessary, referred to the Board of Trustees for determination.

### Our charity objects

Virgin Unite is established with the following Charity Objects - to support:

- 1) The conduct and promotion of research and the dissemination of the useful products thereof into the causes, origins, transmission and treatment of the disease or condition known as Acquired Immune Deficiency Syndrome and any apparently related, similar or consequent disease or condition, the promotion by charitable means of the welfare of sufferers from such diseases or conditions, the alleviation of physical, mental or financial deprivation caused by such diseases or conditions, the advancement of education in matters relevant thereto and the support of charities in furthering the said objects or any of them.
- 2) The relief of poverty and the relief of disabled persons (including the mentally handicapped) from their disabilities;
- 3) The advancement of education for the public benefit;
- 4) The provision of facilities for recreation or other leisure time occupation in the interests of social welfare provided that such facilities are for the public benefit; and
- 5) The promotion of any other charitable purpose for the benefit of the public provided always that all property acquired prior to 1 July 1988 and all income or property derived therefrom will be used exclusively in furtherance of the objects specified at 1 above and not further or otherwise.

### Public benefit statement

The Trustees confirm that, in exercising their powers and duties they have had due regard to the Charity Commission's statutory guidance on public benefit. A copy of the guidance has been provided to each Trustee and every proposal brought to the Board for approval outlines how it will advance Unite's charitable objects for public benefit.

The descriptions in pages 5 to 17 demonstrate how Unite's activities have delivered public benefit over the period. This ranges from providing relief from poverty through the provision of training and support to entrepreneurs, as well as other activities of public benefit including health care and education, nature conservation and protection, and efforts to limit climate change and our dependencies on natural resources.

Support is only provided to private and for profit companies where the Trustees see clear public benefit in the project and where any private benefit is incidental, reasonable and necessary.

## **Financial Statements**

### **The appointment and recruitment of Trustees**

The Trustees are responsible for the recruitment of new trustees, which they carry out in light of the existing balance of skills and experiences of the Board.

Before appointment all new Trustees attend an induction programme in order for them to properly undertake and fulfil their responsibilities to the Charity. The induction process ensures new trustees meet existing trustees and members of the Senior Management team.

### **Structure and governing document**

Virgin Unite is constituted as a company limited by guarantee, is registered with the Charity Commission and its governing document is its Articles of Association. The Trustees constitute directors of the organisation and each Trustee of the Charity is also a member of the Charity. The Charity has a wholly owned subsidiary, Virgin Unite Trading Limited, and the group financial statements consolidate the results of the Charity, Virgin Unite Trading Limited, Virgin Unite USA Inc, Virgin Unite (Canada) Inc, VUC Catalyst Trust, Virgin Unite Nominees Pty Limited, Virgin Unite Africa, The Branson Centre of Entrepreneurship - Caribbean Limited and Unite BVI.

Virgin Unite USA Inc, Virgin Unite (Canada) Inc, VUC Catalyst Trust, Virgin Unite Nominees Pty Limited, Virgin Unite Africa, The Branson Centre of Entrepreneurship - Caribbean Limited and Unite BVI are related overseas charities which are included in the consolidation on the basis that the Virgin Foundation exercises influence and control over these charities in accordance with paragraph 24 of the Charities SORP (FRS 102). Influence and control are deemed to exist since members of the Virgin Unite senior leadership team sit on the boards of each of these overseas charities.

### **Related Parties**

The Trustees of the Charity have interests, either directly or indirectly, in certain other companies.

Some of these companies form part of the Virgin Group of companies. Many companies within the Virgin Group actively promote the Charity to both their customers and members of staff. All material balances and transactions (other than voluntary income received) with this group of companies are disclosed in note 22 to the accounts.

The Charity's wholly owned subsidiary, Virgin Unite Trading Limited, was established to undertake commercial activities which the Charity could not undertake and pays all of its profits to the Charity by Gift Aid (see note 3).

### **Conflicts of interest policy**

Trustees have adopted a conflicts of interest policy and processes for both staff and Trustees to ensure that any conflicts of interests are declared and managed appropriately. This policy secures the objective that any relationships between Virgin Unite and the Virgin Group of Companies are managed in compliance with charity law principles. More specifically, the policy ensures that:

- 1) All decisions about relationships between Virgin Unite and the Virgin Group of Companies are made at trustee level and solely by trustees who have no private interest in the context of the relationship requiring a decision; and
- 2) Any private benefit is merely incidental to the wider charitable objectives which are achieved through those relationships.

Virgin Unite's Senior Management team is responsible for ensuring that any relationship or interaction with any Virgin Company is compliant with this policy.

### **Pay policy for senior staff**

The senior management team comprise the key management personnel of the charity, in charge of directing and controlling, running and operating the charity on a day to day basis. The pay of senior staff is reviewed annually and normally increased in accordance with average earnings. The charity benchmarks against pay levels in other similar organisations and against Virgin Management Limited.

## Financial Statements

### *Transfer of Staff from The Virgin Foundation to VML*

Towards the end of 2016 a decision was made to transfer all employment contracts between employees at The Virgin Foundation, to Virgin Management Limited. All contracts were ceased with The Virgin Foundation in November 2016, with new contracts starting with Virgin Management Limited in December 2016. Employees continue to work on Charitable activities for the Charity; VML donates the services of these employees to the Charity as in kind donations.

### *VML Unite Relationship*

The Virgin Foundation has no employees but it has in place a service level agreement with Virgin Management Limited in the UK, and Virgin Management USA in the US which includes the provision of a number of employees who are responsible for running the charity. Additionally, Virgin Management Limited and Virgin Management USA provide office space as well as IT resources to enable these employees to deliver the Virgin Foundation's strategy. Also provided as in kind support are professional services to the Charity such as tax, legal and web related services.

## Risk management

Virgin Unite has a risk register that lists key risks to Virgin Unite and lays out a strategy for minimising or managing each risk, as well as a responsible member of the Senior Management team.

An updated register was approved by the Board in December 2017. Risk mitigation actions included:

**Financial risks:** Income diversification and reserve strategy to reduce the risk of losing a major income stream.

**Reputational risks:** Maintaining due diligence and ensuring proper vetting of potential community members to reduce reputational risk.

**People and stakeholder risks:** Ensuring staff welfare and distributing leadership and purpose throughout the team to reduce reliance on a small number of staff members.

**Operational delivery risks:** Geographically spreading our portfolio and delivery, and developing our emergency response plan in order to support key geographies in the event of a natural disaster.

The Trustees are satisfied that the key risks to the organisation are identified and that appropriate strategies are in place to manage them in the current year.

## Going concern

The Board of Trustees is of the opinion that Virgin Unite has adequate resources to continue in operational existence for the foreseeable future. The Board of Trustees has identified no material uncertainties that cast significant doubt about the ability of Virgin Unite to continue as a going concern as is further explained in note 1 to the Financial Statements.

## Financial Statements

### Financial Review

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the Charity's governing document, the Charities Act 2011 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 published on 16 July 2014.

For the 12 month period income exceeded resources expended by £2,704,000 (2016 resources expended exceeded income by: £519,000). Consolidated restricted reserves increased during the period to £6,014,000 (2016: £5,279,000). Consolidated unrestricted reserves decreased to £20,286,000 (2016: £20,310,000). Both income and costs were in line with budget.

Voluntary income increased by 33.4% compared with prior year, and primarily comprises Sir Richard Branson's speaking fee donations of £4,659,000 (2016: £4,062,000) and donations received from the Virgin Group £5,077,000 (2016: £1,951,000). The Trustees are extremely grateful for these contributions. The majority of reserves in place have been incorporated into the operating budget for the next three years and have been allocated against certain Virgin Unite commitments.

During the course of the period Virgin Unite received donations in kind amounting to £3,499,000 (2016: £1,365,000), for which the Board would like to thank Virgin Management Limited for providing donations in kind of office space, staff, IT support and professional services such as taxation advice and flights.

During the period the cost of consolidated charitable activities was £11,210,000 (2016: £11,238,000). This includes spending on our Collaborations Incubator of £5,148,000 (2016: £6,052,000), Empowering Entrepreneurs to Change Business for Good of £1,953,000 (2016: £2,941,000), Connecting a Community of £2,748,000 (2016: £1,465,000), Shining and Spotlight of £529,000 (2016: £780,000) and Audacious Ideas £832,000 (2016: £nil). Consolidated costs of generating voluntary income totalled £1,637,000 (2016: £939,000).

### Programme related investments and grant-making policy

Virgin Unite achieves its charitable objects in a number of ways which include providing investment, grant-making, and non-financial support. Support is designed depending on the nature and objectives of the programme. Investments and grants are made to further the objects of Virgin Unite and are managed in line with the objectives of the programme. Grants and other investments are monitored regularly and appropriate progress reports are required from recipients.

### How we spend our money

Direct charitable expenditure – either money we give other organisations for the work they do which we support or money we spend on projects we are running ourselves – such as Ocean Unite, the Branson Centres of Entrepreneurship and Unite Entrepreneurs and One Acre Fund.

Expenditure on the things we have to do to run the charity properly – our overheads. Richard and the Virgin Group cover 100% of these, which means that 100% of our other donations is spent on the initiatives we create or support.

### Reserves policy

In the period to 31 December 2017 the Trustees' policy is that unrestricted funds less the net book value of fixed assets held by the charity that are not committed or designated ("the free reserves") should be sufficient to cover at least six month's total expenditure excluding direct discretionary expenditure relating to charitable activities and costs of generating funds. Free reserves as at 31 December 2017 are £20.3m.

The trustees have judged this level as appropriate given Unite's limited liabilities and fixed assets, and relatively flexible staffing arrangements. The current levels of reserves are expected to reduce significantly by our projected grant making in the next three years.

## **Financial Statements**

### **Investment powers and policy**

Under the Memorandum and Articles of Association, the Charity has the power to invest their reserves in any way the Trustees wish. During the period to 31 December 2017 the policy has been to retain funds in bank accounts and money market funds, bearing interest where available, on the basis that levels of funds and the time for which they were held did not justify a more diverse investment strategy.

The Charity will continue to review if a more diverse investment strategy is appropriate going forward.

### **Disclosure of information to auditor**

The Trustees who held office at the date of approval of this report confirm that, so far as they are each aware, there is no relevant audit information of which the Charitable Company's auditor is unaware; and each Trustee has taken all the steps that ought to have been taken as a Trustee to make themselves aware of any relevant audit information and to establish that the Charitable Company's auditor is aware of that information.

### **Auditor**

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

The Strategic report and Trustees' report, as set out above, were approved by the Board on 25 September 2018 and signed on its behalf by

A handwritten signature in black ink, appearing to read 'Holly Branson', written in a cursive style.

H Branson  
Trustee

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE VIRGIN FOUNDATION**

### **Opinion**

We have audited the financial statements of The Virgin Foundation ("the charitable company") for the year ended 31 December 2017 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Charity Balance Sheet, Consolidated Cash Flow Statement and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 December 2017 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Going concern**

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

### **Other information**

The directors are responsible for the other information, which comprises Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information;
- in our opinion the information given in the Trustees' Annual Report, which constitutes the strategic report and the directors' report for the financial year, is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE VIRGIN FOUNDATION**

### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- the charitable company has not kept adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

### **Trustees' responsibilities**

As explained more fully in their statement set out on page 23, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group's and the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the group or the charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### **The purpose of our audit work and to whom we owe our responsibilities**

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



**Sarah Styant (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**

**Chartered Accountants**

**15 Canada Square, London, E14 5GL**

**26 September 2018**

# **CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**

*for the year ended 31 December 2017*

Incorporating the income and expenditure account and statement of total recognised gains and losses

		2017	2017	2017	2016
		Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
	Note	£'000	£'000	£'000	£'000
<b>Incoming resources from generated funds</b>					
Voluntary income	5	9,512	6,039	15,551	11,658
<b>Total incoming resources</b>		<b>9,512</b>	<b>6,039</b>	<b>15,551</b>	<b>11,658</b>
<b>Resources expended</b>					
Costs of generating funds:					
Costs of generating voluntary income	4	(550)	(1,087)	(1,637)	(939)
Charitable activities	7	(4,618)	(6,592)	(11,210)	(11,238)
<b>Total resources expended</b>		<b>(5,168)</b>	<b>(7,679)</b>	<b>(12,847)</b>	<b>(12,177)</b>
<b>Net incoming resources before other recognised gains and losses</b>		<b>4,344</b>	<b>(1,640)</b>	<b>2,704</b>	<b>(519)</b>
Transfer between funds	18/19	(2,858)	2,858	-	-
Foreign Exchange reserve movements	18/19	(1,510)	(483)	(1,993)	4,230
Realised and unrealised loss on investment assets	18/19	-	-	-	-
<b>Net movements in funds</b>		<b>(24)</b>	<b>735</b>	<b>711</b>	<b>3,711</b>
<b>Reconciliation of funds</b>					
Total funds brought forward	18/19	20,310	5,279	25,589	21,878
Total funds carried forward	18/19	20,286	6,014	26,300	25,589

The notes on pages 30 to 47 form part of these financial statements.

**CONSOLIDATED BALANCE SHEET**  
at 31 December 2017

	<i>Note</i>	<b>2017</b> <b>£'000</b>	<b>2016</b> <b>£'000</b>
<b>Fixed assets</b>			
Tangible fixed assets	12	37	30
Investments	13	214	153
Loans receivable	14	150	-
		<u>401</u>	<u>183</u>
<b>Current assets</b>			
Trade and other receivables	15	257	1,323
Cash and cash equivalents		26,695	25,414
		<u>26,952</u>	<u>26,737</u>
<b>Creditors: amounts falling due within one year</b>	16	<u>(1,053)</u>	<u>(1,331)</u>
<b>Net current assets</b>		<u>25,899</u>	<u>25,406</u>
<b>Net assets</b>		<u>26,300</u>	<u>25,589</u>
<b>The funds of the charitable group</b>			
Unrestricted income fund	18	20,286	20,310
Restricted income fund	19	6,014	5,279
<b>Total charitable group funds</b>		<u>26,300</u>	<u>25,589</u>

The notes on pages 30 to 47 form part of these financial statements.

These financial statements were approved by the board of trustees on 25 September 2018 and were signed on its behalf by:



**H Branson**  
Trustee

Company number: 2155645  
Charity number: 297540

**CHARITY BALANCE SHEET***at 31 December 2017*

	<i>Note</i>	<b>2017</b> <b>£'000</b>	<b>2016</b> <b>£'000</b>
<b>Fixed assets</b>			
Tangible assets		-	9
Loans Receivable	14	150	
		<u>150</u>	<u>9</u>
<b>Current assets</b>			
Trade and other receivables	15	1,583	1,275
Cash at bank and in hand		7,683	8,319
		<u>9,266</u>	<u>9,594</u>
<b>Creditors: amounts falling due within one year</b>	16	(227)	(241)
<b>Net current assets</b>		<u>9,039</u>	<u>9,353</u>
<b>Net assets</b>		<u>9,189</u>	<u>9,362</u>
<b>The funds of the charity</b>			
Unrestricted income fund	18	8,902	9,085
Restricted income fund	19	287	277
<b>Total charity funds</b>		<u>9,189</u>	<u>9,362</u>

The notes on pages 30 to 47 form part of these financial statements.

These financial statements were approved by the board of trustees on 25 September 2018 and were signed on its behalf by:



**H Branson**  
Trustee

Company number: 2155645

Charity number: 297540

**CONSOLIDATED CASH FLOW STATEMENT**  
*for the year ended 31 December 2017*

	<i>Note</i>	<b>2017</b> <b>£'000</b>	<b>2016</b> <b>£'000</b>
<b>Net cash inflow from operating activities</b>	<b>20</b>	<b>1,377</b>	<b>2,835</b>
<b>Returns on investments and servicing of finance</b>			<b>-</b>
<b>Capital expenditure and financial investment</b>			
Fixed Asset additions	<b>12</b>	<b>(35)</b>	<b>-</b>
Investments additions	<b>13</b>	<b>(61)</b>	<b>(153)</b>
<b>Increase in cash and cash equivalents in the year</b>	<b>21</b>	<b>1,281</b>	<b>2,682</b>

The notes on pages 30 to 47 form part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS (forming part of the financial statements)

### 1 Accounting Policies

#### ***Basis of preparation***

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2016) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The principal accounting policies adopted in the preparation of the financial statements are set out below.

#### ***Basis of consolidation***

The financial statements include the results of the Charity, its wholly owned subsidiary Virgin Unite Trading Limited, Virgin Unite USA Inc., Virgin Unite (Canada) Inc., VUC Catalyst Trust, Virgin Unite Nominees Pty Limited, Virgin Unite Africa, The Branson Centre of Entrepreneurship – Caribbean Limited and Unite (BVI).

Virgin Unite USA Inc., Virgin Unite (Canada) Inc., VUC Catalyst Trust, Virgin Unite Nominees Pty Limited, Virgin Unite Africa, The Branson Centre of Entrepreneurship – Caribbean Limited and Unite (BVI) are overseas charities which are included in the consolidation on the basis that The Virgin Foundation exercises dominant influence and control over these charities in accordance with paragraph 24 of the Charities SORP (FRS 102).

#### ***Fixed assets and depreciation***

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Website - depreciated over the useful economic life of 5 years straight line.

Capitalised development costs are subject to impairment review as outlined in FRS11 'Impairment of Fixed Assets'.

#### ***Fixed asset investments***

Investments are shown at market value as at the balance sheet date. Realised and unrealised gains on investments are recognised in the statement of financial activities.

#### ***Incoming resources***

Voluntary income including donations, gifts and legacies and grants that provide core funding or are of general nature are recognised when there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting years; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Income from activities for generating funds such as fundraising activities and from commercial trading activities is recognised as earned (as the related goods and services are provided).

Investment income is recognised on a receivable basis.

## **Notes (continued)**

### **1 Accounting Policies (continued)**

#### ***Resources expended***

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources.

- Costs of generating funds are those costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.
- Charitable activities include expenditure associated with the various projects that the charity is supporting. This includes both the direct costs and support costs relating to the activities.
- Governance costs include those costs incurred in the governance of the charity and are primarily associated with constitutional and statutory requirements.
- Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, as detailed in note 7.

Irrecoverable VAT has been charged to the Statement of Financial Activities.

#### ***Foreign currencies***

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains and losses on translation are included in the profit and loss account.

Foreign exchange gains and losses arising on the translation of overseas entities are taken to reserves.

#### ***Tax***

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. None of the subsidiaries suffered tax during the year.

#### ***Fund accounting***

The Charity has a number of restricted income funds to account for situations where a donor requires that a donation must be spent on a particular purpose or where funds have been raised for a specific purpose. Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity. Designated funds are unrestricted funds earmarked by the trustees for particular purposes. The funds held in each of these categories are disclosed in notes 17 and 18. Transfers from unrestricted to restricted funds occur when a deficit would otherwise exist in a restricted fund.

#### ***Going concern***

The Board of Trustees is of the opinion that Virgin Unite has adequate resources to continue in operational existence for the foreseeable future. The Board of Trustees has identified no material uncertainties that cast significant doubt about the ability of Virgin Unite to continue as a going concern.

**Notes (continued)**

**2 Financial Activities of the Charity**

A summary of the financial activities undertaken by The Virgin Foundation (UK Charity) is set out below:

	2017 £'000	2017 £'000	2017 £'000	2016 £'000
	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
<b>Incoming resources from generated funds</b>				
Voluntary income	7,355	2,223	9,578	7,030
<b>Total incoming resources</b>	<b>7,355</b>	<b>2,223</b>	<b>9,578</b>	<b>7,030</b>
<b>Resources expended</b>				
Costs of generating voluntary income	(4)	(77)	(81)	(478)
Charitable activities	(4,272)	(4,806)	(9,078)	(8,587)
<b>Total resources expended</b>	<b>(4,276)</b>	<b>(4,883)</b>	<b>(9,159)</b>	<b>(9,065)</b>
<b>Net incoming resources before other recognised gains and losses</b>	<b>3,079</b>	<b>(2,660)</b>	<b>419</b>	<b>(2,035)</b>
Foreign exchange reserve movements	(592)	-	(592)	1,455
Transfer between funds	(2,670)	2,670	-	-
<b>Net movement in funds</b>	<b>(183)</b>	<b>10</b>	<b>(173)</b>	<b>(580)</b>
<b>Reconciliation of funds</b>				
Total funds brought forward	9,085	277	9,362	9,942
Total funds carried forward	8,902	287	9,189	9,362



## Notes (continued)

### 3 Incoming Resources from Activities for Generating Funds

The wholly owned trading subsidiary Virgin Unite Trading Limited, which is incorporated in England and Wales, pays all of its taxable profits to the charity by gift aid. Virgin Unite Trading Limited undertakes various trading activities on behalf of the Charity. The Charity owns the entire share capital of 2 ordinary shares of £1 each. The taxable profits for the year ended 31 December 2017 are nil (2016: nil).

### 4 Costs of Generating Voluntary Income

	2017 £'000	2016 £'000
Staff costs	-	264
Fundraising	1,122	487
Allocation of support costs	468	99
Allocation of governance costs	47	89
	<b>1,637</b>	<b>939</b>

### 5 Voluntary Income

	2017 £'000	2017 £'000	2017 £'000	2016 £'000
	Unrestricted	Restricted	Total	Total
Virgin Group general donations	5,077	-	5,077	1,951
Other donations	936	6,039	6,975	8,342
Donated goods and services	3,499	-	3,499	1,365
	<b>9,512</b>	<b>6,039</b>	<b>15,551</b>	<b>11,658</b>

The donated goods and services consisted of accountancy, taxation, legal support and free rent provided by Virgin Management Limited and Virgin Management USA Inc. throughout the year. The value placed on this contribution by the Virgin Group is based upon similar services provided to their group companies and is valued at £3,499,000 (2016: £1,365,000). Other donations in kind were received from Virgin Atlantic for free flights which totalled £nil (2016: £75,000). Donations in kind are recognised within incoming resources as a donation, and an equivalent charge is included as support costs and re-allocated to the appropriate cost heading.

## Notes (continued)

### 6 Support costs

The group's support costs are shown in the table below. Further apportionments of these costs between the charitable activities are undertaken (see note 7). Support costs are allocated on a basis consistent with the use of resources which is determined based on staff time spent on the selected activities.

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Staff costs	-	193
Communication and digital costs	11	34
Finance, legal and professional costs	4	29
Travel and other miscellaneous	20	11
HR support costs	-	45
Office expenses	1	6
Depreciation	18	14
IT support costs	9	19
Donations in Kind (note 5)	<b>3,499</b>	<b>1,365</b>
	<b>3,562</b>	<b>1,716</b>

Time spent by employees directly on charitable, fundraising and governance activities have been charged to direct costs. Staff costs within support costs represents time spent on the 'support functions' of Finance, IT, HR and office management, in line with the Charities SORP (FRS 102) requirements.

The allocation of support costs against cost of generating funds, charitable activities and governance is represented in note 7.

**Notes (continued)**

**7 Resources expended**

Expenditure can be analysed into six main categories:

Collaborations Incubator	New collaborations that address gaps in global leadership
Entrepreneurs to Change Business for Good	Supporting entrepreneurs to launch and grow their businesses
Connecting a Community	Social investments in the world
Shining a Spotlight	Providing support where it's needed most, for example emergency relief provisions in times of crisis.
Audacious Ideas	Supporting audacious projects to have impact at scale

	2017 Staff costs £'000	2017 Grants £'000	2017 Other direct costs £'000	2017 Support costs £'000	2017 Allocation of governance costs £'000	2017 Total £'000	2016 Total £'000
Collaboration Incubator	-	3,298	855	972	23	5,148	6,052
Entrepreneurs to Change Business for Good	5	854	463	619	12	1,953	2,941
Connecting a Community	-	1,439	198	867	244	2,748	1,465
Shining a Spotlight	-	98	75	353	3	529	780
Audacious Ideas	-	540	-	283	9	832	-
<b>Total charitable activities</b>	<b>5</b>	<b>6,229</b>	<b>1,591</b>	<b>3,094</b>	<b>291</b>	<b>11,210</b>	<b>11,238</b>
Costs of generating funds	-	-	1,122	468	47	1,637	939
Governance costs	203	-	135	-	(338)	-	-
<b>Total resources expended</b>	<b>208</b>	<b>6,229</b>	<b>2,848</b>	<b>3,562</b>	<b>-</b>	<b>12,847</b>	<b>12,177</b>

Refer to pages 5 to 17 for further details of projects.

## Notes (continued)

### 8 Governance Costs

Governance costs include the costs of governance arrangements which relate to the general running of the charity. A summary of such costs is detailed below:

	2017 £'000	2016 £'000
Staff costs	203	231
Legal and professional fees	47	50
Audit and accountancy fees	44	43
Travel	3	24
Allocation of support costs	41	240
	<b>338</b>	<b>588</b>

The governance costs of each of the seven charitable entities are included in these consolidated results.

### 9 Net Expenditure for the Year

	2017 £'000	2016 £'000
Net expenditure for the year is stated after charging:		
Audit of these financial statements	28	28
Depreciation	21	14

### 10 Staff Costs

No remuneration was paid to the Trustees during the year (2016: nil). No Trustee travel expenses were reimbursed during the year (2016: £10,583 of travel expenses were reimbursed to 1 trustee).

	2017 £'000	2016 £'000
Gross wages	626	1,898
Social security costs	39	162
Employer's pension	6	87
	<b>671</b>	<b>2,147</b>

## Notes (continued)

### 10 Staff Costs (continued)

The number of employees receiving remuneration:

	2017	2016
Between:		
£60,000 and £70,000	1	2
£70,000 and £80,000	-	-
£80,000 and £100,000	-	2
£100,000 and £110,000	-	3
£120,000 and £130,000	-	-
£130,000 and £140,000	-	-
	<u>1</u>	<u>7</u>

The average number of staff employed during the year was 20 (2016: 38).

	2017	2016
Virgin Unite UK	-	21
Virgin Unite USA, Inc.	2	2
Branson Centre Caribbean	9	8
Branson Centre SA	7	7
Unite (BVI)	2	-
	<u>20</u>	<u>38</u>

As an independent charity, Virgin Unite benefits in a number of ways from leveraging its links to the Virgin Group to achieve its mission and objectives. One example of this is that Virgin Unite's overheads, including the UK and US staff costs, are covered by the Virgin Group.

Towards the end of 2016 a decision was made to transfer all employment contracts between employees at The Virgin Foundation, to Virgin Management Limited. All contracts were ceased with The Virgin Foundation in November 2016, with new contracts starting with Virgin Management Limited in December 2016. Employees continue to work on Charitable activities for the Charity; VML donates the services of these employees to the Charity as in kind donations.

## Notes (continued)

### 11 Fixed asset investments

Company	2017 £	2016 £
Virgin Unite Trading Limited	<u>2</u>	<u>2</u>

The Company owns the entire issued ordinary share capital of Virgin Unite Trading Limited, a company incorporated in England. The shares were acquired by way of gift.

#### *Subsidiary and related charities*

The overseas charities are included in the consolidation on the basis that the Virgin Foundation exercises dominant influence and control over these charities in accordance with paragraph 24 of the Charities SORP (FRS 102). Influence and control are deemed to exist since the CEO and Chair of Trustees sit on the boards of each of these overseas charities. In addition, Virgin Unite UK has entered into grant agreements with each of the charities with the aim of advancing the charitable purpose of Virgin Unite. The grants are paid to enable the charities to carry on with their charitable mission; Virgin Unite UK also has the right to cancel such grants or withhold outstanding amounts.

#### *Virgin Unite Trading Limited*

The principal activity of Virgin Unite Trading Limited is marketing and promotion relating to charitable causes. The subsidiary pays all of its profits to the charitable company by way of gift aid.

#### *Virgin Unite USA, Inc.*

Virgin Unite USA, Inc. is a non-profit making organisation located in New York, USA. The principal activities include uniting global resources to promote entrepreneurial approaches to social and environmental issues and administration of various fund-raising activities. Virgin Unite USA, Inc. was incorporated on 15 December 2005 in the USA.

#### *Virgin Unite Nominees Pty Limited*

Virgin Unite Nominees Pty Limited is a non-profit making organisation located in Sydney, New South Wales, Australia. The principal activities include uniting global resources to promote entrepreneurial approaches to social and environmental issues and administration of various fund-raising activities. Virgin Unite Nominees Pty Limited was incorporated on 15 December 2005 in Australia.

#### *Virgin Unite (Canada) Inc.*

Virgin Unite (Canada) Inc. is a non-profit making organisation located in Toronto, Province of Ontario, Canada. The principal activities include uniting global resources to promote entrepreneurial approaches to social and environmental issues and administration of various fund-raising activities. Virgin Unite (Canada) Inc. was incorporated on 8 September 2007 in Canada.

## Notes (continued)

### *Virgin Unite Africa*

Virgin Unite Africa is a non profit making organisation located in Johannesburg, South Africa. The principal activities include uniting global resources to promote entrepreneurial approaches to social and environmental issues and administration of various fund-raising activities. This is a section 21 company limited by guarantee (an association incorporated not for gain) and was incorporated on the 4 July 2008 in South Africa.

Virgin Unite Africa NPC was registered in South Africa in 2005 as Public Benefit Organisation with the object of providing training to unemployed persons and helping them find employment. In the same year, Virgin Unite Africa launched the Branson School of Entrepreneurship in partnership with CIDA University (South Africa's first free university), which in 2011 became the Branson Centre of Entrepreneurship. The Centre's mission was to provide practical business training, mentorship and access to business networks to South African entrepreneurs from a disadvantaged background via a physical centre in Johannesburg. In 2005, there was little support for start-up businesses in Johannesburg and the region, and the Centre was uniquely positioned to answer a critical need. Since then, the entrepreneurship ecosystem has flourished: there are now over 200 organisations offering support to start-up businesses in South Africa. With this growth in support for entrepreneurs and revised legislation, in June 2016 the VU Trustees and VUA Directors agreed to close the physical Branson Centre of Entrepreneurship South Africa. This involved retrenching all the staff; communicating the decision to mentors, entrepreneurs and supporters; vacating the premises at the end of July 2017; and donating the remaining physical assets to SOS Children's Villages.

### *Branson Centre of Entrepreneurship – Caribbean Limited*

Branson centre of Entrepreneurship- Caribbean Limited - is a non profit making organisation located in Montego Bay, Jamaica. The principal activities include uniting global resources to promote entrepreneurial approaches to social and environmental issues and administration of various fund-raising activities. Branson centre of Entrepreneurship- Caribbean Limited was incorporated on the 24 June 2011 in Jamaica.

### *Unite (BVI)*

Unite (BVI) is a local foundation dedicated to tackling community and environmental changes across the British Virgin Islands. Specifically, the foundation is focused on three key areas: supporting entrepreneurs, environmental conservation, and enriching the community through supporting education, health and social development project. Unite (BVI) overheads are covered by Virgin Unite, meaning that 100% of all donations received will go to initiatives they create or support.

**Notes (continued)**

**12 Tangible fixed assets**

	<b>2017</b>
	<b>£'000</b>
<b>Cost</b>	
At beginning of year	395
Additions	35
Disposals	(17)
At end of year	<u>413</u>
<b>Depreciation</b>	
At beginning of year	(365)
Charge for year	(21)
Additions	-
Disposals	10
At end of year	<u>(376)</u>
<b>Net book value</b>	
At 31 December 2017	<u>37</u>
At 31 December 2016	<u>30</u>

Tangible fixed assets relate to capitalised website development costs, IT and leasehold improvements.

**13 Investments**

During the year, the Group invested £61,000 in MaRS Capitalist Fund LP which makes (impact) investments into social enterprises in Canada.

The movements in investments held with investment managers were as follows:

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Market value at beginning of the year	153	-
Additions (at cost)	61	153
Net realised and unrealised investment (loss)/gains	-	-
Disposal of investment	-	-
Market value at end of the year	<u>214</u>	<u>153</u>
Historical cost at end of the year	<u>214</u>	<u>153</u>

Split of investments between those based in the UK and those that are based overseas:

	<b>2017</b>			<b>2016</b>		
	<b>UK</b>	<b>Overseas</b>	<b>Total</b>	<b>UK</b>	<b>Overseas</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
VU Catalyst Trust	-	153	153	-	153	153
MarS Capitalist Fund LP	-	61	61	-	-	-
<b>Total</b>	<u>-</u>	<u>214</u>	<u>214</u>	<u>-</u>	<u>153</u>	<u>153</u>



**Notes (continued)**

**14 Loans Receivable**

	Group		Company	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Azuwi Tech	75	-	75	-
Solar Now	75	-	75	-
	<b>150</b>	<b>-</b>	<b>150</b>	<b>-</b>

During 2017, the Charity loaned £150,000 to two companies in Africa which are involved in the provision of solar energy in Africa.

**15 Trade and other receivables**

	Group		Company	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Trade debtors	56	65	15	21
Amount owed by subsidiaries	-	-	1,479	538
Accrued income and prepayments	120	1,258	8	716
Other debtors	81	-	81	-
	<b>257</b>	<b>1,323</b>	<b>1,583</b>	<b>1,275</b>

**16 Creditors**

	Group		Company	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade creditors	185	545	105	115
Accruals and deferred income	733	786	92	126
Amounts due to related parties	105	-	-	-
Other creditors	30	-	30	-
	<b>1,053</b>	<b>1,331</b>	<b>227</b>	<b>241</b>

**17 Analysis of net assets between funds**

	Tangible fixed assets £'000	Current assets £'000	Current liabilities £'000	Net assets £'000
Unrestricted funds	401	20,938	(1,053)	20,286
Restricted funds		6,014		6,014
<b>At 31 December 2017</b>	<b>401</b>	<b>26,952</b>	<b>(1,053)</b>	<b>26,300</b>

**Notes (continued)**

**18 Unrestricted Funds**

					Foreign exchange/ unrealised gain	
	01-Jan	Incoming	Resources	Outgoing	Movements	31-Dec
Group	2017	£'000	Transfers	£'000		2017
	£'000	£'000	£'000	£'000		£'000
General fund	19,200	9,512	(3,569)	(4,252)	(1,517)	19,374
Designated fund	1,110	-	711	(916)	7	912
	<u>20,310</u>	<u>9,512</u>	<u>(2,858)</u>	<u>(5,168)</u>	<u>(1,510)</u>	<u>20,286</u>
<b>Company</b>						
General fund	8,321	7,355	(2,674)	(3,957)	(592)	8,453
Designated fund	764	-	4	(319)	-	449
	<u>9,085</u>	<u>7,355</u>	<u>(2,670)</u>	<u>(4,276)</u>	<u>(592)</u>	<u>8,902</u>

Notes (continued)

19 Restricted Funds

Group	01-Jan 2017 £'000	Incoming £'000	Resources Transfers £'000	Outgoing £'000	Foreign exchange/ unrealised gain Movements	31-Dec 2017 £'000
B Team	-	-	76	(84)	8	-
Elders Foundation	20	38	392	(449)	(1)	-
Gaia Rocks	15	1	14	(32)	2	-
Carbon War Room	-	-	5	(5)	-	-
Audacious Ideas	-	24	1,691	(1,715)	-	-
Ocean Unite	-	446	66	(503)	(9)	-
Sightsavers (formerly Blindness)	-	-	44	(44)	-	-
The New Now	-	266	-	(128)	(6)	132
CWR Seed Initiative	-	-	490	(502)	12	-
<b>Global Leadership Initiatives</b>	<b>35</b>	<b>775</b>	<b>2,778</b>	<b>(3,462)</b>	<b>6</b>	<b>132</b>
Entrepreneurship (inc. Virgin Unite Entrepreneurs)	2,505	1,769	(713)	(1,399)	(276)	1,886
Branson Centre SA	307	114	-	(245)	(1)	175
Branson Centre Caribbean	478	538	58	(548)	(42)	484
Zimbabwe	-	-	101	(102)	1	-
Women and Men on the Move	94	-	-	-	-	94
<b>Next Generation of Entrepreneurs</b>	<b>3,384</b>	<b>2,421</b>	<b>(554)</b>	<b>(2,294)</b>	<b>(318)</b>	<b>2,639</b>
Social Investments Canada	165	-	-	-	(5)	160
Re*Generation Canada	560	84	4	(330)	(10)	307
Re*Generation USA	167	-	-	-	(14)	153
Rural Transport Network	(19)	-	19	-	-	-
Social Investments Morocco (Eve Branson Foundation)	106	150	19	(154)	(14)	107
Big Change	1	182	44	(222)	(5)	-
Social Investments Australia	15	-	-	-	-	15
Bhubezi	-	-	-	-	-	-
Galactic Unite	127	5	-	(33)	(9)	90
Pride 'n Purpose	16	30	7	(53)	-	-
Drugs and Prison Reform	-	-	61	(62)	-	(1)
Unite BVI	-	287	552	(599)	(61)	179
BVI Recovery	-	1,880	-	(39)	(34)	1,807
<b>Social Investments</b>	<b>1,138</b>	<b>2,618</b>	<b>706</b>	<b>(1,492)</b>	<b>(152)</b>	<b>2,818</b>
Disease Control Hub	-	-	-	-	-	-
Fistula	41	-	-	(41)	-	-
Other	681	225	(72)	(390)	(19)	425
<b>Other Initiatives</b>	<b>722</b>	<b>225</b>	<b>(72)</b>	<b>(431)</b>	<b>(19)</b>	<b>425</b>
	<b>5,279</b>	<b>6,039</b>	<b>2,858</b>	<b>(7,679)</b>	<b>(483)</b>	<b>6,014</b>

**Audacious Ideas:**

A grant was made during the year to One Acre Fund, which is the project that was selected at the Audacious Ideas 2015 event. A total of \$15m was committed to this project over 6 years. The grant was funded from restricted donations, as well as some incoming funds from a 3rd party.

**Ocean Unite**

All incoming funds are funds that have come in from 3rd parties through donations, grants, partnerships or consulting services agreements. Virgin Unite support Ocean Unite as well, and the transfer into the fund is from restricted reserves. Costs are charitable project spend on efforts to unify and mobilize impactful voices at key moments to drive positive Ocean conservation action.

**BVI Recovery:**

Hurricane Irma brought devastation to the BVI in September 2017. Virgin Unite put an appeal together, and all incoming funds are funds raised through this appeal, which is all from 3rd parties. Costs incurred are mostly in the form of grants made to organisations on the ground in the BVI for immediately hurricane relief and long term recovery. The remainder of the funds are due to the spent during 2018 and 2019, on education, entrepreneurship and environmental initiatives in the BVI.

**Entrepreneurship:**

Virgin Unite hosts many Connection Trips and Leadership Gatherings, which raise funds for the Charity. These trips have an Entrepreneurial element to them. All income into the fund is from donations made by guests who attend these trips. The transfers out of the fund relate to funds that we have allocated to other entrepreneurial projects the Charity supports. All costs are the costs of running these events.

**Unite BVI:**

Income into this fund is mostly money that Unite has paid into Unite BVI, as well as funds donated to Unite BVI from Virgin Limited Edition. Any transfers into this fund are those raised for Unite BVI and are held in the UK /US. The outflows from this fund represent operational costs and charitable expenditure incurred by the entity.

Notes (continued)

19 Restricted Funds (continued)

	01-Jan 2017 £'000	Incoming £'000	Resources Transfers £'000	Outgoing £'000	Foreign exchange/ unrealised gain Movements	31-Dec 2017 £'000
<b>The Virgin Foundation (UK Charity)</b>						
B Team	-	-	76	(76)	-	-
Elders Foundation	-	-	407	(407)	-	-
Gaia Rocks	2	-	(2)	-	-	-
Carbon War Room	-	-	5	(5)	-	-
Audacious Ideas	1	-	1,715	(1,716)	-	-
Ocean Unite	-	1	77	(78)	-	-
Sightsavers (formerly Blindness)	-	-	44	(44)	-	-
The New Now	-	-	95	(95)	-	-
<b>Global Leadership Initiatives</b>	<b>3</b>	<b>1</b>	<b>2,417</b>	<b>(2,421)</b>	<b>-</b>	<b>-</b>
 Entrepreneurship (inc. Virgin Unite Entrepreneurs)	 (65)	 4	 560	 (354)	 -	 145
Branson Centre SA	-	48	-	-	-	48
Branson Centre Caribbean	98	200	58	(356)	-	-
Zimbabwe	-	-	101	(101)	-	-
Women and Men on the Move	94	-	-	-	-	94
<b>Next Generation of Entrepreneurs</b>	<b>127</b>	<b>252</b>	<b>719</b>	<b>(811)</b>	<b>-</b>	<b>287</b>
 Rural Transport Network	 (18)	 -	 19	 -	 -	 1
Big Change	-	-	222	(222)	-	-
Bhubezi	-	-	-	-	-	-
Business as a Force for Good Morocco (Eve Branson Foundation)	94	48	18	(160)	-	-
Re*Generation USA	10	-	(10)	-	-	-
Galactic Unite	-	5	-	-	-	5
Pride 'n Purpose	-	26	3	(29)	-	-
Drugs and Prison Reform	-	-	61	(61)	-	-
Unite BVI	-	16	583	(625)	-	(26)
BVI Recovery	-	292	117	(410)	-	-
<b>Social Investments</b>	<b>86</b>	<b>387</b>	<b>1,013</b>	<b>(1,506)</b>	<b>-</b>	<b>(20)</b>
 Disease Control Hub	 -	 -	 -	 -	 -	 -
Fistula	41	-	-	(41)	-	-
Other	20	-	102	(102)	-	20
<b>Other Initiatives</b>	<b>61</b>	<b>-</b>	<b>102</b>	<b>(143)</b>	<b>-</b>	<b>20</b>
	<b>277</b>	<b>640</b>	<b>4,251</b>	<b>(4,881)</b>	<b>-</b>	<b>287</b>

Each of these funds are regarded as 'Restricted' as donations have been received in response to specific appeals. Refer to pages 5 to 17 for further detail of projects.

During the financial period £2,670,000 was transferred from Unite UK's unrestricted funds to restricted funds. The transfers were made to settle the costs incurred for certain charitable initiatives that were not otherwise covered by restricted funds.

**Notes (continued)**

**20 Reconciliation of net incoming resources to net cash inflow from operating activities**

	2017 £'000	2017 £'000	2016 £'000	2016 £'000
<b>Net incoming resources before other recognised gains and losses</b>	<b>2,704</b>		<b>(519)</b>	
Investment income	<u>-</u>		<u>-</u>	
<b>Net income resources</b>		<b>2,704</b>		<b>(519)</b>
Loss on disposal of fixed assets		7		-
Depreciation of tangible fixed assets		21		14
Unrealised exchange gain/(loss)		(1,993)		4,230
Decrease/(increase) in debtors		916		(899)
(Decrease)/Increase in creditors		(278)		9
<b>Net cash inflow from operating activities</b>		<u><b>1,377</b></u>		<u><b>2,835</b></u>

**21 Reconciliation of net cash flow to movement in net funds**

	2017 £'000	2016 £'000
Increase in cash	<u>1,281</u>	<u>2,682</u>
Increase in net funds from cash flows	1,281	2,682
Net funds at start of year	<u>25,414</u>	<u>22,732</u>
<b>Net funds at end of year</b>	<u><b>26,695</b></u>	<u><b>25,414</b></u>

## Notes (continued)

### 22 Related party disclosures

The Trustees of The Virgin Foundation have interests directly or indirectly in certain other companies and are Trustees of certain other charitable organisations which are considered to give rise to related party disclosures under Financial Reporting Standard No. 8. The transactions with related parties are stated below:

	2017 £'000	2016 £'000
<b>Grants made</b>		
Big Change	268	420
Rocky Mountain Institute (formerly Carbon War Room)	132	347
The Elders Foundation	502	384
<b>Resources expended</b>		
Ulusaba Rock Lodge (Pty) Limited	48	27
Necker Island BVI Limited	164	-
VLE Limited	-	10
Virgin Management Limited	11	313
Virgin Management USA, Inc	-	146
Virgin Mobile SA (Pty) Limited	246	-
Virgin.com Limited	24	-
<b>Incoming resources</b>		
Virgin Group Holdings Limited	2,908	1,951
Virgin Holidays Limited	250	-
Virgin Management USA, Inc	538	-
Virgin Start Up Limited	1	-
Virgin Management Limited	1,380	-

### 23 Governing documents

The Charity is constituted as a company limited by guarantee. Its governing documents are a Memorandum and Articles of Association. The Trustees of the Charity are also members of the Charity and, in the event of the Charity being wound up, are liable to contribute a maximum of £1. The Charity is registered as a charity with the Charity Commission for England and Wales.