



The Virgin Foundation known as Virgin Unite

(a company limited by guarantee)

Report and Consolidated Financial Statements

**For the period ended
31 December 2020**


Company No: 2155645 (England and Wales)
Charity No: 297540

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Virgin Unite Annual Report 2020

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REPORT OF THE TRUSTEES

President

J. Oelwang

Chair

H.K.T. Branson

Virgin Unite UK Board of Trustees

H.K.T. Branson

V. Branson

A. Ahmed

P. Norris (resigned 13 June 21)

J. Oelwang

N. Richards

J. Brady

A.E Stirling (appointed 13 June 21)

Secretary

C.M. Howes

Company Number: 2155645 - Registered in England and Wales

Charity Number: 297540

Registered office: 7 Savoy Court, London, WC2R 0EX

Auditor: KPMG LLP, 15 Canada Square, London, E14 5GL

Solicitor: Harbottle & Lewis, 7 Savoy Court, London, WC2R 0EX

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

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LETTER FROM THE TRUSTEES

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



2020 was a year that none of us will ever forget.

It started with devastating wildfires engulfing Australia - a bleak global reminder of the destruction that climate change is causing and will continue to cause, on people and our beautiful planet.

What happened next is impossible to summarise in a letter. The depth of devastation from the COVID-19 pandemic is beyond anything we have experienced in our lifetimes. We saw our colleagues, business partners, and loved ones suffer unthinkable losses, and we continue to think of them in these hard times.

We are filled with gratitude for the support that was shown to our team and our work. Virgin Unite was able to pull together and support our partners in need in ways we never thought we would (or could) - and we will be forever grateful.

This annual report celebrates the projects, initiatives, and the wonderful partners that Virgin Unite were fortunate enough to work alongside - *challenging unacceptable issues and systems, for good.*

As original plans for 2020 were cancelled, the Virgin Unite team pivoted and worked tirelessly to ensure that urgent projects were supported, and vital funds diverted to support the most vulnerable communities.

It was nothing short of incredible to witness the collaborations born from such adversity, particularly the Africa Donor Collective's work to mobilize vaccine access in Africa; Virgin Limited Editions' support of communities in need; and our work with Virgin Atlantic to deliver essential PPE equipment for frontline health workers.

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As COVID-19 continued to disrupt and devastate, the 100% Human at Work team focussed on how this global pandemic was impacting the world of work. Through events, network expansion and research - 100% Human stayed at the forefront of workplace changes and are working hard to put humans at the heart of these decisions. The work in this space is ongoing and as we look to 2021 and beyond, the future of work and the wellbeing of workers will remain a key priority.

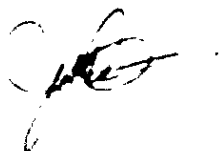
Despite the immense disruption, Virgin Unite delivered incredible projects in many of the areas within which we work, including criminal justice reform, the growth of the Caribbean Climate Smart Accelerator, championing the incredible Global Cooling Prize, supporting Unite BVI's education and entrepreneurship initiatives, and providing ongoing support to partners including The Elders and The B Team.

None of our work in 2020 would have been possible without our wonderful community of change makers. They came together in an extraordinary way and rallied behind the world's most pressing issues.

We will accelerate our work in 2021 - tackling challenges and celebrating the extraordinary people committing their lives to making things better for everyone. We can't wait for this to continue for many years to come.



Holly Branson, Chair of Trustees



Jean Oelwang, President of Virgin Unite



Supplies being distributed from the newly built Enturoto community clinic at the border of Mahali Mzuri's
Credit: Mahali Mazuri

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VIRGIN UNITE 2020 HIGHLIGHTS

OUR PURPOSE AND MISSION

Virgin Unite challenges the unacceptable to change systems and the toughest issues for good.

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, Ocean Unite, The NewNow and The Caribbean Climate-Smart Accelerator.

Given our long history and experience in incubation, we have more recently been advising others on the incubation of initiatives (for example the Aid Live Foundation in Venezuela).

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 impact and communicate their successes to a much wider audience.

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ECOSYSTEM OF CHANGE

Our ecosystem of change is underpinned by four key pillars of impact. The foundation of everything we strive towards is peace and human rights for all people, and yet, we must protect our planet if we want this world to survive. We believe business has a key role to play in this work, and must become a driving force for social, environmental and economic benefit, and we want to empower the next generation of future leaders to have their voices heard in decisions that affect their future.



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EMERGENCY RESPONSE

In 2020 the world was shaken by the COVID-19 pandemic, and Virgin Unite had to respond quickly to support some of our most vulnerable partners across the globe. Virgin Unite ringfenced funding for emergency and humanitarian relief to local communities in order to mitigate the devastating impacts of COVID and leveraged far more through its collaboration with its community partners.

Some key highlights from Virgin Unite's COVID-19 support are:



Virgin Atlantic and Virgin Unite fly crucial medical supplies into Africa

Credit: Virgin Atlantic

Share

- Over the course of several months, Virgin Unite collaborated with **Virgin Orbit, Virgin Galactic, NASA and BMG** (a local manufacturer in South Africa) to develop **ventilators** and **oxygen helmets** which could be distributed to health facilities across the African continent, in response to COVID-19 and the shortage of oxygen supply.
- These units can also be procured via the Africa Medical Supplies Platform, which offers an array of COVID-19 related products to countries across the African Continent.
- Alongside this effort, **Virgin Unite also coordinated two emergency relief flights for the COVID-19 response**; the first to retrieve PPE supplies in China which were donated to the NHS in two hospitals in London, and secondly, partnering with UNICEF on their emergency aid programme, to transport PPE supplies from Hong Kong to South Africa which was donated to African Ministries in Mozambique, Swaziland and Lesotho.
- Virgin Unite also supported a group of mental health charities to kick off a **Mental Health Fund** that has now raised over \$4m (c.£2.9m) to help individuals in pain from the mental health and behavioral impact of the coronavirus pandemic.

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Supporting Vulnerable Communities

- For years Virgin Unite has been working with Virgin Limited Edition and local partners to **support vulnerable communities** in rural South Africa, Morocco, Kenya and the BVI. These communities were hit hard by the pandemic, due to already fragile healthcare systems and mass loss of livelihoods from tourism.
- Across the board the COVID-19 situation remains uncertain and undoubtedly communities will be significantly impacted in the long run. Today, many communities are still in a very difficult phase of economic recovery, health risks are at an all-time high and livelihoods are prevalently uncertain because of COVID-19. Despite these ongoing challenges a few impactful highlights from 2020 can be shared here:
- We enabled **distributing food provisions, masks, soap/sanitizer, PPE** and other critical supplies for local clinics, alongside with community awareness and education on how to stay safe.
- We have also supported the Maasai Mara Wildlife Conservancy Association in Kenya, to help **sustain conservancy operations**, ensure local rangers are employed and wildlife is protected.
- In South Africa, we worked alongside the local community campaign Together Franschhoek, where Virgin Limited Edition's Mont Rochelle Hotel and Vineyard has deployed the funds towards food assistance that remains a critical need in the community.
- 250 families were provided with food parcels. A total of 3,000kg of barley, rice and maize was purchased for the Together Franschhoek community kitchens. This amounts to 55,000 portions, served over a 5-week period (anywhere between 10-15,000 people per week).
- In Morocco, at the Eve Branson Foundation, 2020 Emergency Covid funding provided immediate cash assistance **to over 565 families across four villages**, to purchase essential food and hygiene items. Sanitising gel and disposable gloves were also purchased and distributed. With our support, the Eve Branson Foundation was able to keep the **37 craft center artisans** employed to produce face masks (5,000+ produced to date) and distribute them to the local community.

Africa Donor Collective

- In May 2020, Virgin Unite (along with other core partners such as ELMA Philanthropies, Skoll Foundation, BMGF and Rockefeller Foundation) founded the Africa Donor Collective; consisting of a group of donors, foundations and partners working to catalyse and coordinate philanthropy and business mobilization. The mission was to convene these groups to help stop the spread of COVID-19 in Africa and help strengthen public health systems across the African continent.
- The key objectives of the Africa Donor Collective are to:
 - Identify gaps and mobilise resources towards key Africa Centre for Disease Control (CDC) priorities to mitigate the spread of COVID-19 and stop this from progressing in Africa, as well as addressing the risks linked to untreated diseases.
 - Support Africa CDC with longer-term capacity building to ensure it can stand up as an institution for years to come.
 - Strengthen public health capacity in Africa for COVID-19 response and essential health services to prepare and mitigate the impact of this pandemic, future pandemics and untreated existing diseases.
 - Create a group of advocates and a coordinated approach for business leaders and philanthropists.
 - Review future opportunity to support economic recovery across the African Continent.
- The Africa Donor Collective comprises of a total community of over 200 members from 102 unique organisations, consisting of some of the world's largest foundations and individuals collaborating to scale impact.

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EQUALITY

Right from the beginning, Virgin Unite has focussed on promoting human rights for all people, and the issues of inequality and conflict remain critical. The refugee crisis has worsened as conflict and instability continue in the Middle East, and at least half the world's population are still living without access to essential healthcare. Over ten years ago we incubated The Elders, bringing together a group of global leaders to work towards peace and human rights, more recently we incubated The New Now to stand alongside passionate rising leaders tackling the world's toughest challenges, and we have supported many other organisations working on issues ranging from access to healthcare to criminal justice reform. In 2020 we focused on a number of projects relating to racial justice, exploring how we can further anti-racism within our team and every part of our practices, from our choice of vendors to speaker line-ups and the language we use internally.



Virgin Unite support Children's Ground as they transform the future for First Nations children in Australia
Credit: Children's Ground

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Key highlights in 2020

Peace

- **The Elders** have played a critical role in a number of areas during the COVID-19 and US Election crisis, by; Calling for global leaders to support the multilateral systems, calling for free and fair access to vaccines, ensuring that climate justice remains front and centre on the global agenda.
- **The Elders** continue to work on nuclear disarmament – including launching the doomsday clock and significant behind the scenes work on the P5 leaders.
- **The Elders** continued to work behind the scenes in a number of conflict areas and in support of refugees and migrants. For example - Ban Ki-moon published an op-ed in Thompson Reuters in May in response to the plight of several hundred displaced Rohingya left adrift in the Bay of Bengal. As a result of this, in August he was invited to chair a meeting of eminent persons to advise on a strategy to address the displacement and statelessness of the Rohingya.
- **NewNow Leader** Victor Ochen partnered with the UN and Global Goals as an Ambassador for Peace and Justice, SDG 16 and Africa Spokesperson for the 17 Global Goals. Demonstrating his commitment to war victims and campaigning for a peaceful Africa and world over, he raised the flag in Barlonyo, Lira district in Uganda. He also addressed the UN Security Council, presenting on the work of AYINET which continues to work towards a goal of peace and security in Africa.

Justice

- **The Elders** launched a podcast series on justice, gender equality, human rights, climate, multilateralism and conflict. The podcasts ranked multiple times in the top 100 Apple podcasts in the US “Documentary” category.
- Virgin Unite has worked with **NewNow Leader** Aziz Alhamza on the foundations for his new organization, the Free Future Academy which focuses on training Syrian citizens (especially women) to become journalists; educating Syrian activists on effective use of the media; spreading democratic ideas; and deradicalizing children traumatized by ISIS.
- By the end of 2020, **The Bail Project** had posted over \$36.6m (c.£24.5m) in bail, securing freedom for people in over 14,000 bailouts in 25 US cities. By supporting clients upon their release, 90% made their court dates even though they had no personal financial stake. Moreover, once released, 43% had their cases dismissed and 92% had their charges resolved without further jail time.
- We launched a collaboration with Topeka Sam’s organization, the **Ladies of Hope Ministry**, to develop their Pathway’s 4 Equity program, investing \$50k (c.£36k) during a Necker gathering organized by the Community Team. That investment catalysed significant further support from attendees. Our investment is funding a new professional development fellowship program for formerly incarcerated women, launched in 2021.
- We published a series of pieces on Virgin Platforms that connect the **US history of racism** to the extremely racialised impacts of the US criminal legal system today.
- We convened a group of business network leaders and influencers around a new effort to explore what it means to be a more **anti-racist company**, lifting up a campaign by Ben Cohen and Jerry Greenfield to reform policing in the US by ending qualified immunity. We expect this group to grow into a courageous collective of businesses advancing racial equity, including through leadership on criminal justice reform.
- The Community Team curated and hosted a digital gathering to explore the frontiers of the criminal justice reform movement, introducing the Unite community to San Francisco’s groundbreaking progressive prosecutor, the REFORM Alliance’s Chief Advocacy Officer, and Topeka Sam.

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- Virgin Unite supported **PolicyLink** and **Just Capital** in a new effort to develop anti-racist business practices and develop a **CEO Blueprint for Racial Equity**. We've pledged \$25k (c.£18k) in PolicyLink to further develop the CEO Blueprint as an anti-racist business playbook and have initiated the development of a courageous collective of *business leaders and networks to adopt and help mainstream this work as it develops*. As one of the first donors to commit, Virgin Unite's partnership has enabled the group to raise the resources needed to run their corporate racial equity initiative as a multi-year campaign.

Health and Food Security

- **The Elders** messaging on Universal Health Coverage has influenced the WHO financing coordinator and the UN Secretary General during their response to COVID-19.
- **One Acre Fund** served 1.25 million farm families (encompassing 4 million children) through the core program in 2020, growing by 25%+ despite the year's unprecedented challenges.
- Through networks in Kenya, Uganda, Liberia, and Ethiopia, the **Living Goods/Last Mile Health** partnership has deployed 15,606 digitally enabled Community Health Workers to date, reaching more than 8.95 million people and delivering over 3.73 million lifesaving treatments to children under five. In 2020 over 12,300 Community Health Workers were **trained in COVID-19 assessment** and reporting, and 460,000 households were screened.
- In the first six months of 2020, the **Sightsavers** Accelerate programme has managed almost 10,000 Trachoma Trichiasis (TT) cases, providing sight saving surgery to almost 9,000 people. The national lockdowns had a serious impact on programme implementation and expenditure in the second half of 2020, however Sightsavers are poised to pick up the pace as soon as feasible and safe in the months to come.
- **The END Fund's** Deworming Innovation Fund provided treatment to 28.7 million children.

Education

- In 2020, **Big Change** launched an Emergent Needs and Opportunities Fund to quickly respond to the emergent needs of young people impacted by the pandemic. The £430k fund backed 10 new pioneers that have a clear opportunity for impact.

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ENVIRONMENT

Virgin Unite has long been committed to tackling climate change and protecting nature, and has incubated four organisations focused specifically on the planet; Carbon War Room (now merged with RMI), Ocean Unite, The Caribbean Climate Smart Accelerator (CCSA) and Unite BVI. The pandemic delayed many key global decisions on nature and the climate in 2020, so it is all the more important that we push for greater unity and ambition in the years ahead. The next 10 years will make or break any chance the world has of arresting climate change, and it is imperative that we accelerate climate solutions that will give us a fighting chance of success.



Image from Unite BVI Unite for the Sea programme

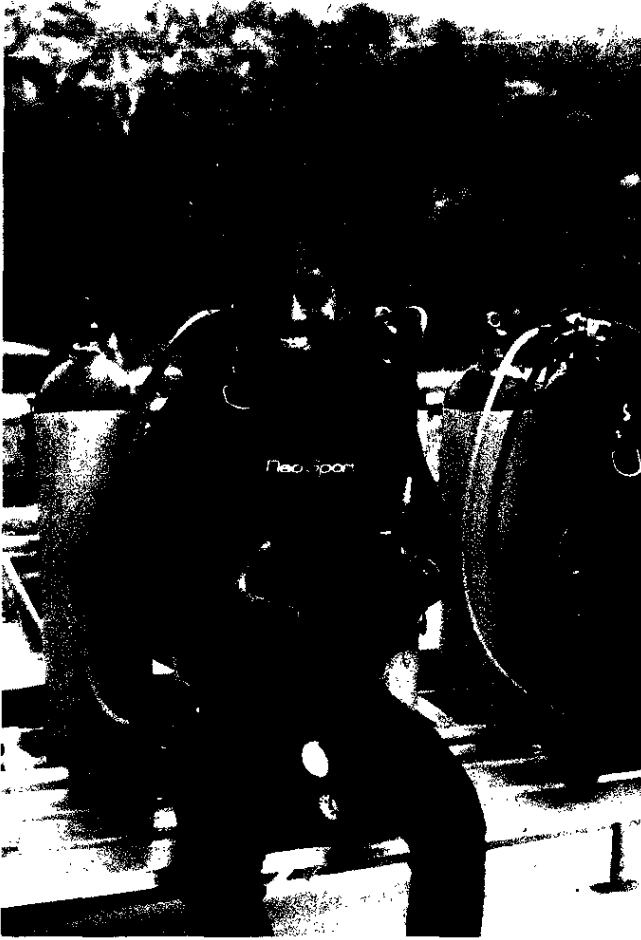
Credit: Unite BVI

Key highlights in 2020

Ocean Protection

- **Ocean Unite** expanded their network to 40 members and delivered High Seas, Waitt/Blue Prosperity Coalition, Global Fishing Watch (GFW) objectives.
- **Ocean Unite** delivered an initial research project for the Maldives and launched a fundraising campaign. They also launched a shark campaign in South Africa.
- **Ocean Unite** launched the #Antarctica2020 campaign in July; drafted A2020 and Cousteau letter to Putin and drafted/pitched op-eds with earned media in Russian, Chinese, French outlets.
- **Ocean Unite's** RISE UP campaign was launched with UNSG and agreed by 27 fisherfolk, indigenous groups, philanthropies, businesses, and conservation organisations.
- The **Ocean Risk and Resilience Alliance** secured US\$2m in seed funding from Canada, invested in 6 innovative and scalable pilots to grow the product pipeline. E.g., around sewage, illegal, unreported and unregulated fishing (IUU), Protected Areas Insurance Coastal Resilience bonds.
- Following our Virtual Gathering "Fighting for Ocean Health", The Mavericks committed to sharing the Ocean Unite 30x30 goals with their network and creating some high-leverage ways to grow their business and make a contribution.
- Unite BVI is the proud founder and sponsor of Unite for the Sea - a free programme that offers fun, educational, water-based activities to inspire young people to fall in love with the ocean. The Unite for the Sea programme was designed strategically to give youth who otherwise may not have the opportunity to learn about the ocean access to experience it.

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Unite BVI aim to inspire the next generation of Ocean conservationists

Credit: Unite BVI

Climate Funding and advocacy

- In October we co-hosted a low-carbon investor event, with the aim of increasing impact investments into climate change solutions and innovations. This was a follow on to the climate philanthropy event hosted at the end of 2019 with a similar aim. Host organisations are now collaborating on additional opportunities to encourage and support philanthropists and new entrants as they develop climate giving strategies.
- We continued to support fundraising for the family of organisations incubated by us in order to reach their own climate program goals, including helping to raise funds for Ocean Unite, the B Team and RMI.
- Even during the ongoing pandemic, The B Team continued to advocate on the global stage for stronger Net Zero ambitions and efforts to protect nature, while communicating on the links between emergent diseases, biodiversity loss, and climate change.
- We also amplified the important work of RMI and supported them at the board level to deliver 'Project Chrysalis,' an audacious redesign of their organisation and approach around 'what must be done on climate change' over the next decade.
- Established in 2018 by the RMI – The Global Cooling Prize (GCP) was a one-of-a kind innovation competition, setting out to identify a major breakthrough in residential cooling technology. Virgin Unite and Richard Branson were proud to support the competition, encourage participation, and amplify key campaign messages. 2020 saw the 8 finalists enter the final testing stage of the competition.
- In addition, we also amplified RMI's launch of the Third Derivative programme in December to help them find, fund, hone and scale breakthrough technologies.

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Caribbean Resilience

- Virgin Unite and Richard Branson hosted an event for the Caribbean Climate Smart Accelerator (**CCSA**) raising \$5m (c.£3.7m) for 5 years of core operations and \$1.5m (c.£1.1m) to create a roadmap to fulfil their mission of *creating the world's first climate-smart zone*.
- Virgin Unite also supported the delivery of a five-year strategy and operational plan for the CCSA.
- The CCSA hosted the Pivot Movement together with International Development Bank (IDB), which developed 9 moonshots for the region to pursue; meeting included keynotes from Richard Branson and the Prime Minister of Barbados, Mia Mottley, with components of the opening going viral.
- In 2020 the **CCSA** made significant progress in the creation of a blended financial instrument for solar including a number of collaborators IRENA, IDB, USAID, and the government of Barbados, and have received interest from the Canadian government for technical support.
- **Unite BVI's** COVID-19 response focused on improving the safety of frontline workers, access to education, protection of the elderly and mental health amidst the pandemic. They also continued to deliver on other projects, including Unite for the Sea, UBVI's flagship programme focusing on ocean conservation education alongside swim, snorkel and dive training in which over 478 youth took part.
- **Unite BVI** donated a turn-key solar and wind powered library that doubles as a community hurricane recovery centre.
- **Unite BVI** donated a new library and resource centre to school on Jost Van Dyke island. This project was made possible thanks to donations Virgin Unite received through the Hurricane Community Support Appeal Fund (established after Hurricane Irma) along with donations made to The Soggy Dollar Bar and Restaurant's foundation.

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ENTREPRENEURSHIP

We believe that the private sector must take concerted, positive action to ensure business becomes a driving force for social, environmental and economic benefit. Our current economic model is broken. But it did not break itself and it will not repair itself. That's why, in 2013, Virgin Unite and partners launched The B Team, a group of business leaders working to shift the culture of accountability in business to include not only numbers and performance, but people and planet.

Together with The B Team we also launched the 100% Human at Work initiative, focused on the rapidly transforming world of work and the likely impacts on jobs, workers, wages and society in the future. 100% Human at Work now has over 500 businesses around the world as part of the movement, all working collaboratively to innovate and take action to shape a future of work that serves humanity. 2020 saw COVID-19 have a massive impact on the world of work, from forcing many to work from home, allowing us to fundamentally rethink the nature of work, through to stark increases in inequality.

At Virgin Unite, we also understand that 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. 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, as well as provide funds and in-kind support to organisations supplying training, mentorship and seed funding to early-stage entrepreneurs.



Jean Oelwang, Virgin Unite's Founder and President, speaks at a 100% Human London gathering (prior to COVID-19 restrictions).

Credit: Tom Soper

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Key highlights in 2020

Business as a Force for Good

- **The B Team** used targeted advocacy in G20 and elsewhere to uplift immediate action and promote a green and inclusive recovery from the health and economic crises of COVID-19.
- **The B Team** co-chaired Imperative21, uplifting a set of imperatives for the new economy through the "RESET Campaign".
- **The B Team** launched 'Change Who to Change How' campaign and published a CEO guide on gender balance and inclusive cultures.
- With strong encouragement from **B Team Leader** Hiro Mizuno, Japan committed to be carbon neutral by 2050. B Team leaders followed up with strong public support and congratulations to PM Suga.

100% Human at Work

- in 2020 the 100% Human Movement focused on supporting and serving our 500 strong global community, bringing together businesses in the UK, US and Australia to ensure that their response to the COVID-19 pandemic always put people and their wellbeing first.
- The **100% Human at Work** team is developing a cornerstone partnership model with EY and Unilever, alongside Virgin, building a core group of partners to fund and guide the initiative. The team also worked to plan for a future membership model that has the potential to make the network self-sustaining.
- The team used the power of the 100% Human network to convene **emergency support groups** and conversations in response to COVID-19 to help businesses navigate the changes. We also launched the COVID-19 experiments collection and conversation papers focused on mental health and the future of the office.

Branson Centre

- 15 entrepreneurs completed the **Branson Centre of Entrepreneurship Caribbean's** acceleration programme in early 2020. In April, the training programme pivoted from acceleration to recovery management to help entrepreneurs cope with the effects of the pandemic, with over 300 entrepreneurs supported through virtual Recovery, Resilience and Growth training, mentorship and coaching.

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GOVERNANCE AND FINANCIAL REVIEW

Governance

The Board of Trustees of Virgin Unite ("the Charity" or "Unite") 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 8 and 19 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 Charity meets the definition of a public benefit entity under FRS 102.

The descriptions in pages 4 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.

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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. It 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 wholly owned subsidiaries, Virgin Unite Trading Limited, and Unite BVI, the group financial statements consolidate the results of the Charity, Virgin Unite Trading Limited, Virgin Unite USA Inc, Virgin Unite (Canada) Inc, Virgin Unite Australia Limited, and The Branson Centre of Entrepreneurship - Caribbean Limited.

Virgin Unite USA Inc, Virgin Unite (Canada) Inc, Virgin Unite Australia 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 20 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.

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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 increased in accordance with average earnings. The charity benchmarks against pay levels in other similar organisations and against Virgin Management Limited.

Virgin Management Limited relationship with Virgin Unite

The Virgin Foundation has no employees. It has a service level agreement in place 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 and 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 website services.

Risk management

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

An updated register was approved by the Board in December 2020. 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 has a reasonable expectation that the Foundation has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing these financial statements. Refer to Note 1 to the financial statements for further detail.

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 in October 2019.

For the 12 month period to 31 December 2020, resources expended exceeded income by £6,309,000. (2019: £6,485,000). Consolidated unrestricted reserves decreased during the year to £6,402,000 (2019: £12,286,000). Consolidated restricted reserves decreased to £3,473,000 (2019: £4,111,000). The decrease is attributable to grants made in the year of £9,729,000 (2019: £11,970,000), support costs of £2,908,000 (2019: £3,995,000) and other costs of £1,670,000 (2019: £3,179,000).

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Voluntary income primarily comprises Sir Richard Branson's speaking fee donations from the Virgin Group of £1,958,000 (2019: £3,544,000), Constellation trip and event income of £966,000 (2019: £1,818,000) and other donations of £2,068,000 (2019: £2,639,000). Constellation trip and event income related to fundraising events and trips that Virgin Unite host. Income The global travel restrictions imposed as a result of the COVID-19 pandemic meant that many speaking engagements were postponed or converted to digital events, resulting in a reduction of speaking fee donations and constellation income. 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.

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 amounting to £2,793,000 in 2020 (2019: £3,483,000).

During the period the cost of charitable activities was £13,547,000 (2019: £17,363,000) and costs of raising funds totalled £547,000 (2019: £659,000).

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 based 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 The Branson Centre of Entrepreneurship.
- 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 2020 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 2020 are £2.3m.

The trustees have judged this level as appropriate given Unite's limited liabilities and fixed assets, and relatively flexible staffing arrangements. The level of reserves is projected to stay at a consistent level over the next 3 years based on projected donations and grant making.

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 2020 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 its investment strategy and update as appropriate.

Virgin Unite Annual Report 2020

Fundraising policy

Virgin Unite does not use professional fundraisers or commercial participators to raise funds. The Foundation nevertheless observes and complies with the relevant fundraising regulations and codes. During the year there was no non-compliance of these regulations (2019: none) and the Foundation received no complaints (2019: none) relating to its fundraising practice.

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 and signed on its behalf on 16 December by:



H Branson
Chair of Trustees

Virgin Unite Annual Report 2020

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.

Virgin Unite Annual Report 2020

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF THE VIRGIN FOUNDATION

Opinion

We have audited the financial statements of the Virgin Foundation (known as Virgin Unite) ("the charitable company") for the year ended 31 December 2020 which comprise the consolidated statement of financial activities, consolidated and charity balance sheets, 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 of the charitable company's affairs as at 31 December 2020 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

The trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the group or the charitable company or to cease their operations, and as they have concluded that the group and the charitable company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the trustees' conclusions, we considered the inherent risks to the group's business model and analysed how those risks might affect the group and charitable company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the trustees' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the group or the charitable company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the group or the charitable company will continue in operation.

Virgin Unite Annual Report 2020

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud (“fraud risks”), we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of management and inspection of policy documentation as to the group’s high-level policies and procedures to prevent and detect fraud.
- Reading Board meeting minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that voluntary income is recorded in the incorrect accounting period and the risk that management may be in a position to make inappropriate accounting entries.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by unexpected individuals and those posted to unusual accounts combinations;
- Agreeing a sample of income transactions back to relevant invoices.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Trustees and other management (as required by auditing standards). We discussed with the Trustees and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies’ legislation and the Charities SORP) and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Virgin Unite Annual Report 2020

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, and certain aspects of company and charity legislation, recognising the nature of the Group's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The trustees are responsible for the other information, which comprises the 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.

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 and proper 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.

Virgin Unite Annual Report 2020

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.

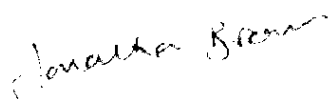
Auditor's responsibilities

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.

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 and the charitable company's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, its members, as a body and its trustees, as a body, for our audit work, for this report or for the opinions we have formed.



Jonathan Brown (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square, London, E14 5GL
20 December 2021

Virgin Unite Annual Report 2020

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 December 2020

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

		2020	2020	2020	2019
		Unrestricted	Restricted	Total	Total
		Funds	Funds	Funds	Funds
	Note	£'000	£'000	£'000	£'000
Income from:					
Voluntary income	4	6,288	1,497	7,785	11,537
Total		6,288	1,497	7,785	11,537
Expenditure on:					
Raising funds	6	(522)	(25)	(547)	(659)
Charitable activities	5/6	(10,596)	(2,951)	(13,547)	(17,363)
Total		(11,118)	(2,976)	(14,094)	(18,022)
Net income/(expenditure)		(4,830)	(1,479)	(6,309)	(6,485)
Transfer between funds	17/18	(959)	959	-	-
Other recognised gains(losses):					
Foreign exchange reserve movement	17/18	(95)	(118)	(213)	(655)
Net movement in funds		(5,884)	(638)	(6,522)	(7,140)
Reconciliation of funds					
Total funds brought forward	16/17	12,286	4,111	16,397	23,537
Total funds carried forward	16/17	6,402	3,473	9,875	16,397

All of the above results are derived from continuing activities. There were no recognised gains and losses for 2020 and 2019 other than those included in the Profit and Loss Account and therefore no statement of recognised gains or losses has been presented.

The notes on pages 32 to 48 form part of these financial statements.

Virgin Unite Annual Report 2020

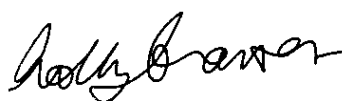
CONSOLIDATED BALANCE SHEET

at 31 December 2020

	Note	2020 £'000	2019 £'000
Fixed assets			
Tangible fixed assets	10	19	25
Investments	11	458	415
Loans receivable	12	14	38
		<u>491</u>	<u>478</u>
Current assets			
Debtors	13	891	942
Cash and cash equivalents		11,101	17,288
		<u>11,992</u>	<u>18,230</u>
Creditors: amounts falling due within one year	14	<u>(2,608)</u>	<u>(2,311)</u>
Net current assets		<u>9,384</u>	<u>15,919</u>
Net assets		<u>9,875</u>	<u>16,397</u>
The funds of the charitable group			
Unrestricted income funds	17	6,402	12,286
Restricted income funds	18	3,473	4,111
Total charitable group funds		<u>9,875</u>	<u>16,397</u>

The notes on pages 32 to 48 form part of these financial statements.

These financial statements were approved by the Board of trustees and were signed on its behalf on 16 December 2021 by:



H Branson
Chair of Trustees

Company number: 2155645
Charity number: 297540

Virgin Unite Annual Report 2020

CHARITY BALANCE SHEET

at 31 December 2020

	Note	2020 £'000	2019 £'000
Fixed assets			
Loans Receivable	12	14	38
		<u>14</u>	<u>38</u>
Current assets			
Debtors	13	22	1,624
Cash at bank and in hand		2,543	3,145
		<u>2,565</u>	<u>4,769</u>
Creditors: amounts falling due within one year	14	(152)	(84)
Net current assets		<u>2,413</u>	<u>4,685</u>
Net assets		<u>2,427</u>	<u>4,723</u>
The funds of the charity			
Unrestricted income funds	17	2,287	4,580
Restricted income funds	18	140	143
Total charity funds		<u>2,427</u>	<u>4,723</u>

The notes on pages 32 to 48 form part of these financial statements.

These financial statements were approved by the Board of Trustees and were signed on its behalf on 16 December 2021 by:



H Branson
Chair of Trustees

Company number: 2155645

Charity number: 297540

Virgin Unite Annual Report 2020

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2020

	Note	2020 £'000	2019 £'000
Cash flows from operating activities:			
Net cash used in operating activities	19	(6,170)	(5,418)
Cash flows from investing activities:			
Proceeds from disposals of tangible fixed assets	10	-	(4)
Purchase of investments	11	(43)	(150)
Net cash used in investing activities		(43)	(154)
Cash flows from financing activities:			
Loan repayments	12	24	69
Net cash used in financing activities		24	69
Change in cash and cash equivalents in the reporting period		(6,189)	(5,503)
Cash and cash equivalents at the beginning of the reporting period		17,288	22,791
Change in cash and cash equivalents due to exchange rate movements		2	-
Cash and cash equivalents at the end of the reporting period		11,101	17,288
Reconciliation of net cash flow to movement in net funds			
		2020 £'000	2019 £'000
(Decrease)/Increase in cash		(6,187)	(5,504)
(Decrease)/Increase in net funds from cash flows		(6,187)	(5,504)
Net funds at start of year		17,288	22,792
Net funds at end of year		11,101	17,288

The notes on pages 32 to 48 form part of these financial statements.

Virgin Unite Annual Report 2020

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 the 'Accounting and Reporting by Charities: Statement of Recommended Practice (FRS 102)' and the Companies Act 2006. The group meets the definition of a public benefit entity under FRS 102.

The charity meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemption in relation to a presentation of a cash-flow statement in respect of its separate financial statements, which are presented alongside the consolidated financial statements.

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 subsidiaries Virgin Unite Trading Limited and Virgin Unite BVI Limited and Virgin Unite USA Inc., Virgin Unite (Canada) Inc. Virgin Unite Australia Limited, The Branson Centre of Entrepreneurship – Caribbean Limited.

Virgin Unite USA Inc., Virgin Unite (Canada) Inc., Virgin Unite Australia Limited and The Branson Centre of Entrepreneurship – Caribbean Limited 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 section 24 of the Charities SORP (FRS 102).

Going concern

The financial statements have been prepared on a going concern basis which the Trustees consider to be appropriate for the following reasons.

The Trustees have considered cash flow forecasts for the period to 31 December 2022 (the "Cash Projection"), which covers approximately 15 months from the anticipated signing of the Foundation's financial statements. The Cash Projection indicates that, taking account of reasonably possible downsides and the anticipated impact of COVID-19 on the operations and its financial resources, the Group and Charitable Company will have sufficient funds to meet its liabilities as they fall due for that period.

The analysis takes into account the position of Virgin Unites reserves, anticipated donations and income, and forecast investments into projects. The analysis projects cash outflows/inflows over the period for all Virgin Unite charities in order to assess the Foundation's liquidity headroom.

Stress tests were applied to the analysis which specifically considered the ongoing impact of the COVID-19 pandemic on the income and forecast expenditure of the Foundation. The impact of further lockdowns and a slower resumption of global travel and events were modelled alongside mitigating actions which could be taken to delay or limit expenditure in order to optimise cash flows.

Consequently, the Trustees are confident that the Group and Charitable Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Virgin Unite Annual Report 2020

Notes (continued)

1 Accounting Policies (continued)

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:

- The website is depreciated on a straight line basis at a rate of 20%.
- The leasehold improvements are depreciated on a straight-line basis at a rate of 10%.
- The furniture, fixtures and fittings are depreciated on a straight-line basis at a rate of 10%.
- The IT expenditure is depreciated on a straight-line basis at a rate of 33%.

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.

Income

Voluntary income including donations and grants that provide core funding or are of general nature and income from activities for generating funds such as fundraising activities and from commercial trading activities, are recognised when there is entitlement, a probable receipt and the amount can be measured with sufficient reliability. Such income is only deferred when the donor has imposed conditions which must be met before the charity has unconditional entitlement.

Expenses

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.
- Support costs include central functions and costs incurred in the governance of the charity and have been allocated to activity cost categories on a basis consistent with the use of resources, as detailed in note 6.

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. Non-charitable subsidiaries are subject to corporation tax but, because their policies are to donate taxable profits to Virgin Unite by way of gift aid, no liabilities arose in the current year (2019 £nil).

Virgin Unite Annual Report 2020

Notes (continued)

1 Accounting Policies (continued)

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 16 and 17. Transfers from unrestricted to restricted funds occur when a deficit would otherwise exist in a restricted fund.

Financial instruments

The Charity has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Financial Assets

Basic financial assets, including trade and other receivables, cash and bank balances are initially recognised at transaction price. At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Statement of Financial Activities.

Financial assets are de-recognised when (a) the contractual rights to the cash flows from the assets expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial Liabilities

Basic financial liabilities, including trade and other payables, are initially recognised at the transaction price.

Financial liabilities are de-recognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Critical accounting judgements and key estimates and assumptions

The preparation of the financial statements in conformity with FRS 102 requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from the estimates calculated.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no critical accounting estimates or judgments made in the year (2019: nil).

Support costs

The cost allocation methodology requires judgement as to what are the most appropriate bases to use to apportion support costs; these are reviewed annually for reasonableness.

Virgin Unite Annual Report 2020

2 Financial Activities (Charity only)

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

	2020 £'000	2020 £'000	2020 £'000	2019 £'000
	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
Income				
Voluntary income	5,082	50	5,132	7,370
Total	5,082	50	5,132	7,370
Expenditure on:				
Raising funds	-	-	-	1
Charitable activities	(6,899)	(427)	(7,325)	(9,368)
Total	(6,899)	(427)	(7,325)	(9,367)
Net income/(expenditure)	(1,817)	(377)	(2,194)	(1,997)
Transfer between funds	(374)	374	-	-
Other recognised gains(losses):				
Foreign exchange reserve movement	(103)	-	(102)	(194)
Net movement in funds	(2,293)	(3)	(2,296)	(2,191)
Reconciliation of funds				
Total funds brought forward	4,580	143	4,723	6,914
Total funds carried forward	2,287	140	2,427	4,723

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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 2020 is £10,266 (2019: £180,148).

4 Voluntary Income

	2020 £'000	2020 £'000	2020 £'000	2019 £'000
	Unrestricted	Restricted	Total	Total
Virgin Group general donations	1,958	-	1,958	3,544
Other donations	1,537	1,497	3,034	4,509
Donated goods and services	2,793	-	2,793	3,483
	6,288	1,497	7,785	11,536

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 £2,793,000 (2019: £3,483,000). 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 category.

5 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 6). Support costs are allocated on a basis consistent with the use of resources.

	2020 £'000	2019 £'000
Communication and digital costs	1	-
Foreign exchange differences	(42)	-
Finance, legal and professional costs	124	461
Travel and other miscellaneous	10	22
Office expenses	6	13
IT support costs	16	16
Donations in Kind (note 4)	2,793	3,483
	2,908	3,995

Time spent by employees directly on charitable, fundraising and governance activities have been charged to staff 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. These staff costs have been included in the Donations in Kind total, represented in note 4.

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6 Expenses

Expenditure can be analysed into six main categories:

Collaborative Solutions	Collaborations we incubate and support that address gaps in global leadership
Audacious Ideas	Co-funding big ideas with the potential to create change at scale, as part of the Audacious Project collaboration
Significant programmes	Long-term collaborations we help incubate and continue supporting, often alongside other Virgin companies
Virgin Unite Local Entity Programmes	Programmes specific to Virgin Unite entities in Canada and Australia
Shining a Spotlight	Providing support where it's needed most, for example emergency relief provisions in times of crisis
Other	All other programmes, including criminal justice reform work, Robin Hood fund for small benevolent grants and legacy programmes in the process of winding down.

	2020	2020	2020 Other direct	2020	2020
	Staff costs	Grants	costs	Support costs	Total
	£'000	£'000	£'000	£'000	£'000
Collaborative Solutions	-	1,382	141	428	1,951
Audacious Ideas	-	5,776	-	436	6,212
Significant programmes	-	1,441	128	713	2,282
Virgin Unite Local Entity Programmes	-	406	322	145	873
Shining a Spotlight	-	113	34	229	376
Other	645	611	160	437	1,853
Total charitable activities	645	9,729	785	2,388	13,547
Costs of generating funds	-	-	27	520	547
Total expenses	645	9,729	812	2,908	14,094

Refer to pages 4 to 17 for further details of projects.

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6 Expenses (prior year)

	2019	2019	2019	2019	2019	2019
	Staff costs	Grants	Other direct costs	Support costs	Allocation of governance costs	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Collaborative Solutions	-	2,207	1,239	966	79	4,491
Audacious Ideas	-	7,471	-	615	38	8,125
Significant programmes	-	1,497	331	597	145	2,570
Virgin Unite Local Entry Programmes	-	341	58	351	9	759
Shining a Spotlight	-	123	81	281	29	514
Other	-	331	309	263	-	903
Total charitable activities	-	11,970	2,018	3,073	301	17,363
Costs of generating funds	-	-	46	461	152	659
Governance costs	266	-	194	1	(460)	-
Total expenses	266	11,970	2,258	3,535	-	18,022

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7 Net Expenditure for the Year

	2020 £'000	2019 £'000
Net expenditure for the year is stated after charging:		
Depreciation	4	9
Bad debts written off	82	20
<i>Auditor's remuneration:</i>		
Audit of these financial statements	31	38
Audit of the subsidiary financial statements	14	13
Other non-audit services	-	-

There were no other non audit services provided during the year (2019: £nil).

8 Staff Costs

No remuneration was paid to the Trustees during the year (2019: £nil). No Trustee travel expenses were reimbursed during the year (2019: £nil).

	2020 £'000	2019 £'000
Gross wages	599	799
Social security costs	42	53
Employer's pension	4	4
	645	856

The number of employees receiving remuneration:

	2020	2019
<£80,000	11	11
Between £80,000 and £100,000	1	1
	12	12

The average number of staff employed during the year was 12 (2019: 12).

	2020	2019
Branson Centre Caribbean	9	9
Unite (BVI)	3	3
	12	12

Staff costs relate to employees of Unite BVI and The Branson Centre of Entrepreneurship - Caribbean Limited.

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.

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.

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9 Fixed asset investments

Company	2020 £	2019 £
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 President 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 Australia Limited

Virgin Unite Australia 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 Australia Limited was incorporated on 23 December 2019 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.

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 projects. Unite (BVI) overheads are covered by Virgin Unite, meaning that 100% of all donations received go to initiatives they create or support. Unite (BVI) was incorporated on 12 July 2016 in the British Virgin Islands.

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10 Tangible fixed assets

	Leasehold Improvements	Furniture, Fixtures and Equipment	Website development costs	I.T	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At beginning of year	12	21	16	36	85
Foreign exchange revaluations	(1)	(2)	(2)	(4)	(9)
At end of year	11	19	14	32	76
Depreciation					
At beginning of year	(2)	(13)	(16)	(29)	(60)
Charge for year	(1)	(2)	-	(1)	(4)
Foreign exchange revaluations	-	2	2	3	7
At end of year	(3)	(13)	(14)	(27)	(57)
Net book value					
At 31 December 2020	8	6	-	5	19
At 31 December 2019	10	8	-	7	25

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

11 Investments

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

	2020 £'000	2019 £'000
Market value at beginning of the year	415	265
Additions (at cost)	43	150
Market value at end of the year	458	415
Market value at end of the year	458	415

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

	2020			2019		
	UK £'000	Overseas £'000	Total £'000	UK £'000	Overseas £'000	Total £'000
VU (MaRS) Catalyst Trust	-	150	150	-	150	150
MaRS Capitalist Fund LP	-	308	308	-	265	265
Total	-	458	458	-	415	415

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12 Loans Receivable

	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Solar Now	8	19	8	19
Solar Work B.V.	6	19	6	19
	14	38	14	38

The Solar Now and Solar Work B.V. loans receivable form part of the Energise Africa investment.

£24,000 was provided against the loans during the year.

13 Debtors

	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Trade debtors	8	16	-	-
Amount owed by subsidiaries	-	-	-	1,598
Accrued income and prepayments	880	924	20	25
Other debtors	3	2	2	1
	891	942	22	1,624

14 Creditors

	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade creditors	59	134	7	4
Accruals and deferred income	2,549	2,148	93	80
Amounts due to subsidiaries	-	11	49	-
Other creditors	-	18	3	-
	2,608	2,311	152	84

Deferred grant income relates to grants received in Unite BVI which were not fully utilised at 31 December 2020.

15 Analysis of net assets between funds

	Tangible fixed assets	Current assets	Current liabilities	Net assets
	£'000	£'000	£'000	£'000
Unrestricted funds	491	8,519	(2,608)	6,402
Restricted funds	-	3,473	-	3,473
At 31 December 2020	491	11,992	(2,608)	9,875

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16 Analysis of group net assets between funds (current year)

	Unrestricted funds £'000	Designated funds £'000	Restricted funds £'000	Total funds £'000
Net current assets	818	5,584	3,473	9,875
Total funds	818	5,584	3,473	9,875

17 Unrestricted Funds

	Fund balances brought forward £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and losses £'000	Fund balances carried forward £'000
Group	£'000	£'000	£'000	£'000	£'000	£'000
General fund	2,560	6,288	(3,604)	(1,945)	(95)	3,204
Designated fund	9,726	-	(7,514)	986	-	3,198
Total funds	12,286	6,288	(11,118)	(959)	(95)	6,402
Company only						
General fund	362	5,082	(3,192)	(1,146)	(102)	1,003
Designated fund	4,218	-	(3,706)	772	-	1,284
Total funds	4,580	5,082	(6,898)	(374)	(102)	2,287

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18 Restricted Funds

Fund name	Fund balances brought forward	Income	Expenditure	Transfers	Fund balances carried forward
Group	£'000	£'000	£'000	£'000	£'000
B Team	436	-	(191)	41	286
Elders Foundation	38	38	(39)	-	37
Ocean Unite	17	12	(145)	127	11
The New Now	(58)	-	(135)	473	280
Global Leadership Initiatives	433	50	(510)	641	614
Entrepreneurship (inc. Virgin Unite Entrepreneurs)	1,125	-	(70)	(481)	574
Branson Centre SA	71	-	(71)	-	-
Branson Centre Caribbean	442	221	(270)	-	393
Next Generation of Entrepreneurs	1,638	221	(411)	(481)	967
Social Investments Canada	96	-	(2)	(47)	47
Re*Generation Canada	137	8	(69)	-	76
Re*Generation USA	156	-	(29)	-	127
Business as a Force for Good Morocco (Eve Branson Foundation)	-	26	(1)	-	25
Big Change	-	-	(19)	19	-
Social Investments Australia	12	-	-	(12)	-
Galactic Unite	36	7	(19)	-	24
Pride 'n Purpose	2	7	(1)	-	8
Drugs and Prison Reform	-	4	(75)	71	-
Unite BVI	822	1,174	(1,938)	598	656
BVI Recovery	725	-	-	-	725
Peer to Peer Solar	13	-	(20)	7	-
Social Investments	1,999	1,226	(2,173)	636	1,688
Other	41	-	-	163	204
Other Initiatives	41	-	-	163	204
Total funds	4,111	1,497	(3,094)	959	3,473

B Team

To address growing inequality, broken incentive structures focused on short-term profit and protecting nature, Virgin Unite incubated The B Team with a group of partners. The B Team is a group of courageous private sector and civil society leaders, working together to envision a better way of doing business and to shift the culture of accountability in business for companies, communities and future generations, by creating cascading new norms or corporate leadership that can build a better world.

The New Now

The NewNow launched with a collective of rising global leaders who are tackling some of the toughest challenges for humanity and the planet. The NewNow exists to amplify, develop, and support these extraordinary individuals in order to increase their impact, inspire and lift others and tackle unacceptable issues, by working together to accomplish change through collective action. The NewNow's objective is to ensure that the voices of rising leaders are heard and that their agenda is implemented. The NewNow aim to achieve deep, sustainable and transformative global impact.

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18 Restricted Funds *(continued)*

Entrepreneurship

Virgin Unite hosts many Connection Trips and Leadership Gatherings, which raise funds for the Charity. Historically some of these funds were restricted to Entrepreneurship meaning that the funds needed to be deployed to projects and causes that supported entrepreneurs and over time Unite built up a reserve balance restricted to Entrepreneurship. Transfers out of this fund would be to the projects that Trustees agreed to fund with these Entrepreneurial reserves, some of which include Lift-ups, Nature Based Solutions, and a grant to the Branson Centre of Entrepreneurship in the Caribbean. Strategically Virgin Unite exited many of its entrepreneurial programmes, and the trips and events focussed on other philanthropic areas so it was decided that future funds raised from these trips and events should be unrestricted, with the exception of donor restricted funds.

Branson Centre Caribbean

While entrepreneurs may have the vision and tenacity, crucially they often lack access to business skills, networks, mentors and role models to scale their businesses. That's why Virgin Unite launched the Branson Centre of Entrepreneurship in the Caribbean in 2011, to deliver training, mentorship and empower entrepreneurs to launch and grow their businesses and in turn, impact the communities around them.

Unite BVI

Unite BVI is a not-for-profit foundation based in the British Virgin Islands (BVI). They work on a range of projects – from advocating for the protection of the environment to initiatives that enrich the community such as supporting local entrepreneurs, investing in education and addressing public health and social welfare issues with sustainable solutions. Their overarching vision is to create opportunities that inspire and empower a generation of arising world-changers.

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.

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18 Restricted Funds (continued)

Fund name	Fund balances brought forward £'000	Income £'000	Expenditure £'000	Transfers £'000	Fund balances carried forward £'000
The Virgin Foundation (Charity only)					
B Team	-	-	(175)	175	-
The New Now	(59)	-	(52)	110	(1)
Global Leadership Initiatives	(59)	-	(227)	285	(1)
Entrepreneurship (inc. Virgin Unite Entrepreneurs)	100	-	(19)	18	99
Next Generation of Entrepreneurs	100	-	(19)	18	99
Rural Transport Network	1	-	-	-	1
Business as a Force for Good Morocco (Eve Branson Foundation)	-	3	-	-	3
Galactic Unite	-	3	(18)	15	-
Pride 'n Purpose	-	3	-	-	3
Unite BVI	400	1	(136)	(233)	32
Peer to Peer Solar	12	1	(12)	-	1
Social Investments	413	11	(166)	(218)	40
Disease Control Hub	-	-	-	-	-
Fistula	-	-	-	-	-
Other	(311)	39	(15)	289	2
Other Initiatives	(311)	39	(15)	289	2
Total funds	143	50	(427)	374	140

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 £374,000 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.

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19 Reconciliation of net expenditure to net cash flow from operating activities

	2020 £'000	2019 £'000
Net expenditure) for the reporting period (as per the statement of financial activities)	(6,309)	(6,485)
Adjustments for:		
Depreciation of tangible fixed assets	4	6
Unrealised foreign exchange loss	(213)	(654)
Decrease in debtors	51	1,387
Increase in creditors	297	328
Net cash used in operating activities	(6,170)	(5,418)

20 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. The transactions with related parties are stated below:

	2020 £'000	2019 £'000
Grants made		
Big Change	235	372
The Elders Foundation	100	734
Association Eve Branson Foundation	96	80
Expenses		
Ulusaba Rock Lodge (Pty) Limited	62	68
Virgin Management Limited	215	315
Virgin Enterprises Limited	-	2
Perceptio Limited	16	-
B Team	1	-
Ocean Unite	168	-
Harbottle & Lewis	14	11
Income		
Virgin Enterprises Limited	1,955	3,219
Virgin Holidays Limited	-	200
Sir Richard Branson	-	123
Donations in kind		
Virgin Management USA Inc	904	1,327
Virgin Management Limited	1,889	2,159
Creditors		
Virgin Management Limited	26	-
B Team	1	-
Harbottle & Lewis	1	-

21 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.

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22 Group entities

The financial statements include the results of the Charity, it's wholly owned subsidiaries Virgin Unite Trading Limited and Virgin Unite BVI Limited and its controlled undertakings Virgin Unite USA Inc., Virgin Unite (Canada) Inc. Virgin Unite Australia Limited, The Branson Centre of Entrepreneurship – Caribbean Limited, which are included in the consolidation on the basis that The Virgin Foundation exercises dominant influence and control over these charities in accordance with section 24 of the Charities SORP (FRS 102). The subsidiaries and companies limited by guarantee of the Virgin Foundation as at 31 December 2020 were as follows:

Subsidiaries	Country of incorporation	Share type and % holding	Company number	Net assets as at 31 December 2020 (£'000)	Gross income for the year ended 31 December 2020 (£'000)	Expenditure for the year ended 31 December 2020 (£'000)	Profit / (loss) for the year ended 31 December 2020 (£'000)
Virgin Unite Trading Limited 7 Savoy Court, London, WC2R 0EX, United Kingdom	England & Wales	100%, Ordinary	3126284	9	52	(42)	10
Virgin Unite BVI Limited Craigmuir Chambers, P.O. Box 71, Road Town, Tortola, British Virgin Islands	British Virgin Islands	100%, Ordinary	1919768 NPN 100187	138	1,203	(1,203)	-
Virgin Unite USA Inc. 65 Bleeker Street, 6th Floor, New York 10012, United States of America	United States of America	Registered charity	4079290 / EIN: 13-4188824	5,223	1,287	(5,065)	(3,778)
Virgin Unite (Canada) Inc. 720 King Street West, Suite 905, Toronto M5V 2T3, Canada	Canada	Registered charity	Business Number (BN) 841790728RC0001, Corporation Number 438331-1	867	22	(83)	(61)
Virgin Unite Australia Limited Level 5, East Village, 2a Defries Avenue, Zetland, NSW 2017, Australia	Australia	Limited by guarantee	637 161 203	818	124	(280)	(156)
The Branson Centre of Entrepreneurship – Caribbean Limited Unit 4, 9 - 11 Barbican Road, Kingston 6, Jamaica	Jamaica	Limited by guarantee	-	393	221	(270)	(49)