

A group of people are gathered in a room with large copper pendant lights. In the foreground, a woman on the left is laughing with her hands clasped. A man in the center, wearing glasses and a dark polo shirt, is smiling and holding a clipboard. To his right, a woman is also laughing while holding a glass of red wine and a plate of food. In the background, two more people are visible, one of whom is holding up a white sign that features a simple line drawing of a building with a dome. The overall atmosphere is joyful and social.

Annual Report & Accounts

**For the year ended 31
March 2017**

**Company Number: 3900741
Charity Number: 1085465**

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Message from our outgoing Chair

It is hard to recognise that SSE has been running for 20 years.

It all started because Michael Young's friends and admirers had recognised the extraordinary contribution that his social entrepreneurship had made to society and encouraged him to bring on a new generation of people to continue this approach to solving social problems and making productive use of under-utilised resources. In 1997 Michael identified 24 people – most of whom had responded to his newspaper articles – who wanted to learn from him and follow his lead.

I was brought in to develop a programme that could bring about this transformation. With Gerard Lemos, we designed the year-long programme with all the features that our programmes have today and trialled it on our 24 enthusiastic guinea pigs. They tried it, made suggestions, enriched it, documented their discussions and had ferocious arguments, but recognised this exposure as a potentially life changing experience and, most importantly, clarified what sort of people we should seek as future participants.

One of the members of that first cohort was Alastair Wilson. From the start it was clear that our formula was valuable but take off was slow for several reasons. Few people knew or cared what a social entrepreneur was, action learning was not much understood, initial money ran out, new sources were needed and we hadn't yet accumulated evaluation data – only stories – so we were still building our reputation. But when Alastair joined the staff, we began to tackle and overcome these issues, so that growth – geographically and numerically – took off, eventually driven faster by our corporate supporters, by our growing reputation and by convincing evidence of the impact our fellows created.

Today SSE looks very different. But the values and approaches that we espoused then, under Michael Young, live on and have underpinned the identity we have today, that attracts students, staff, witnesses, volunteers and sponsors to work so enthusiastically with us.

It has been a rare privilege for me to be involved in such an unusually worthwhile venture and to have such a wonderful community of enthusiasts to work with. In particular, I want to thank the Trustees and Alastair, for making it all such a pleasure.

Charlotte Young



Message from our Chief Executive

This has been a year of milestones at School for Social Entrepreneurs (SSE), we have put in place strong foundations for our growth and development. Now, as we move into our 20th year, we continue to innovate and increase our support for social entrepreneurs and social sector leaders, providing relevant leadership and learning opportunities in a rapidly changing world and remaining true to the vision of our founder Michael Young. All very welcome in a climate that is proving testing for the third sector.

At the SSE we do learning differently. We mobilise the experience of enterprising people, often those who are driven by first-hand exposure to an unmet social need. Through our learning programmes, connections and support, we help develop their business skills, networks, emotional resourcefulness and ultimately their impact.

Moving forward, the challenge for SSE is how to retain the authentic impactful experience gained by our students whilst building an organisational infrastructure that can deliver our next phase of growth.

This year, we are delighted to report that School for Social Entrepreneurs has:

- Launched our new Theory of Change, and in doing so recognised the impact we have within communities as a result of our learning programmes.
- Secured the renewal of our Lloyds Banking Group and Big Lottery Fund programme and a new multi-year, multi-million pound partnership with Power to Change. These partnerships deliver learning programmes with accompanying grants to support social entrepreneurs and community businesses to start and grow their organisations.
- Successfully piloted our Trade Up programme, supporting social entrepreneurs to build their traded income and ultimately their sustainability.

We continue to work with our networks of School for Social Entrepreneurs across the UK, India and Canada. Through these global partnerships we share best practice, ensure quality programmes and work together towards our strategic objectives – establishing and strengthening organisations and developing their leaders to solve complex social problems through entrepreneurial approaches.

Finally, having chaired our Board of Trustees for 14 years, Charlotte Young is stepping down from her role, to be replaced by Richard Collier-Keywood. Having worked closely with Michael Young on the creation of SSE, Charlotte has gone on to support the scaling of the organisation over many years. We are deeply indebted to her for her advice, guidance and support over the years. Charlotte will continue to be a Trustee of SSE.

Alastair Wilson

Introduction

SSE was founded in London in 1997 and has grown significantly over the last 20 years. This report details the activities delivered in the London school, the delivery of national programmes which are centrally managed and disbursed to our network of UK schools, and the Network Team who support all the schools. These form the constituent activities of the School for Social Entrepreneurs.

SSE is a social membership organisation with independent and locally governed schools across the UK, and in Canada and India. In all instances the schools are led by people who understand the local context and what is needed to bring about social and environmental change in their communities. Where appropriate, additional programming and activities delivered by our network of schools have been included to give a perspective of the scale and variety of the activities across the network.



Our vision

...is of a fair and equal society where the potential of all people is fully realised



Our mission

...is to mobilise the experience of enterprising people from all backgrounds and support them to use entrepreneurial approaches to create lasting social and environmental change.

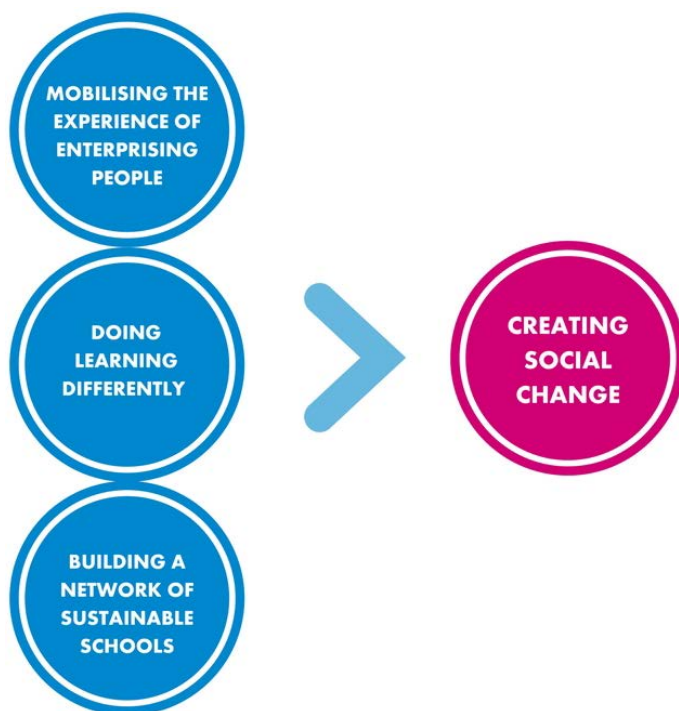


Our core values

...in all aspects of work are integrity, inclusivity, and empowerment.

Report of Trustees

SSE exists to promote and support social entrepreneurs and social businesses across the world. A summary of our performance can be found under each of the following categories:



These three components create our social change. This structure follows our Theory of Change, and covers...



what we enable

The conditions we create to enable students to improve the lives of people and communities and achieve social change together, what we think of as within SSE's 'sphere of influence'

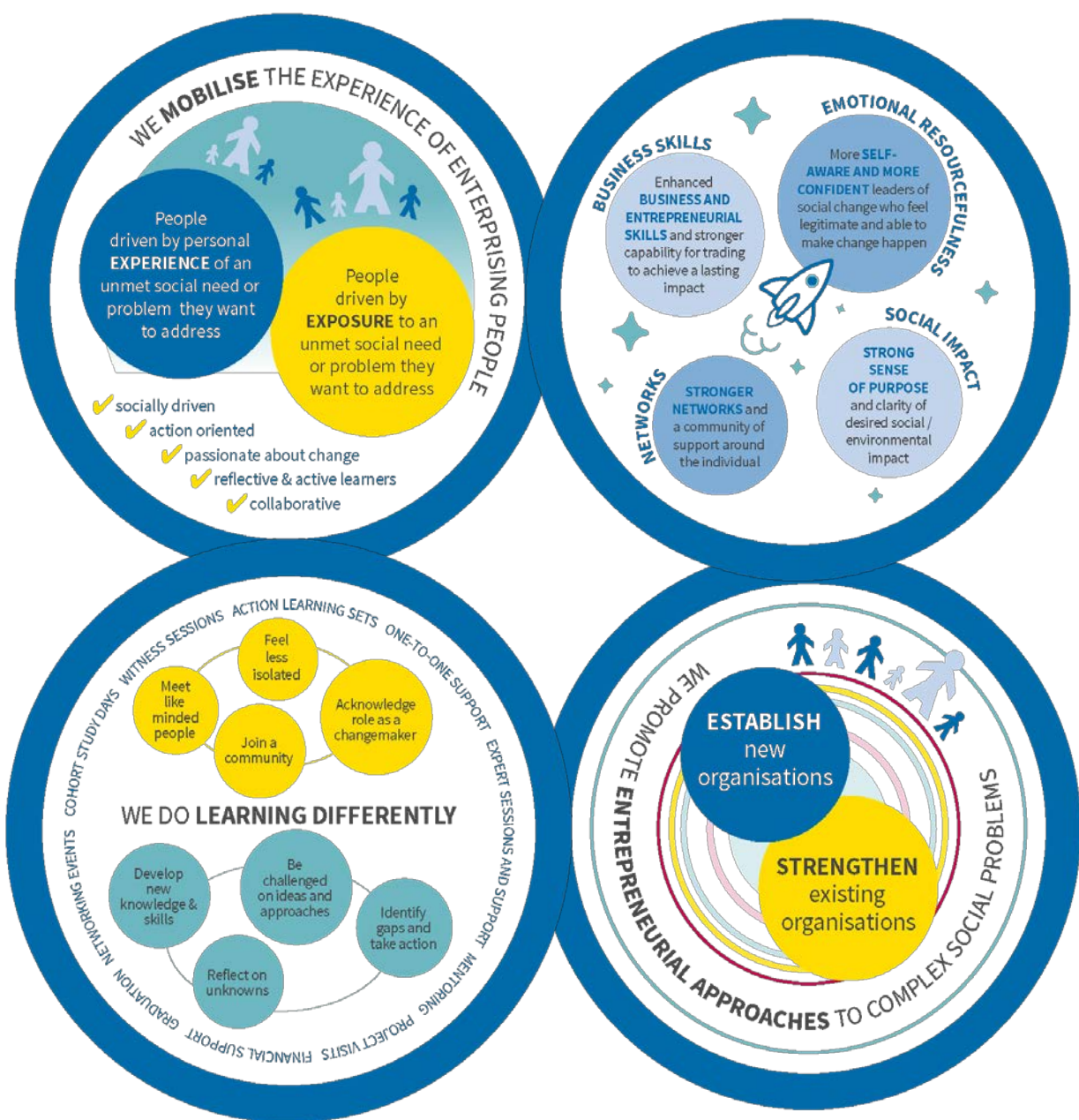
what we do

The activities we undertake to support individuals on a learning journey, what we think of as within SSE's 'sphere of control'

How SSE creates social change

What we do

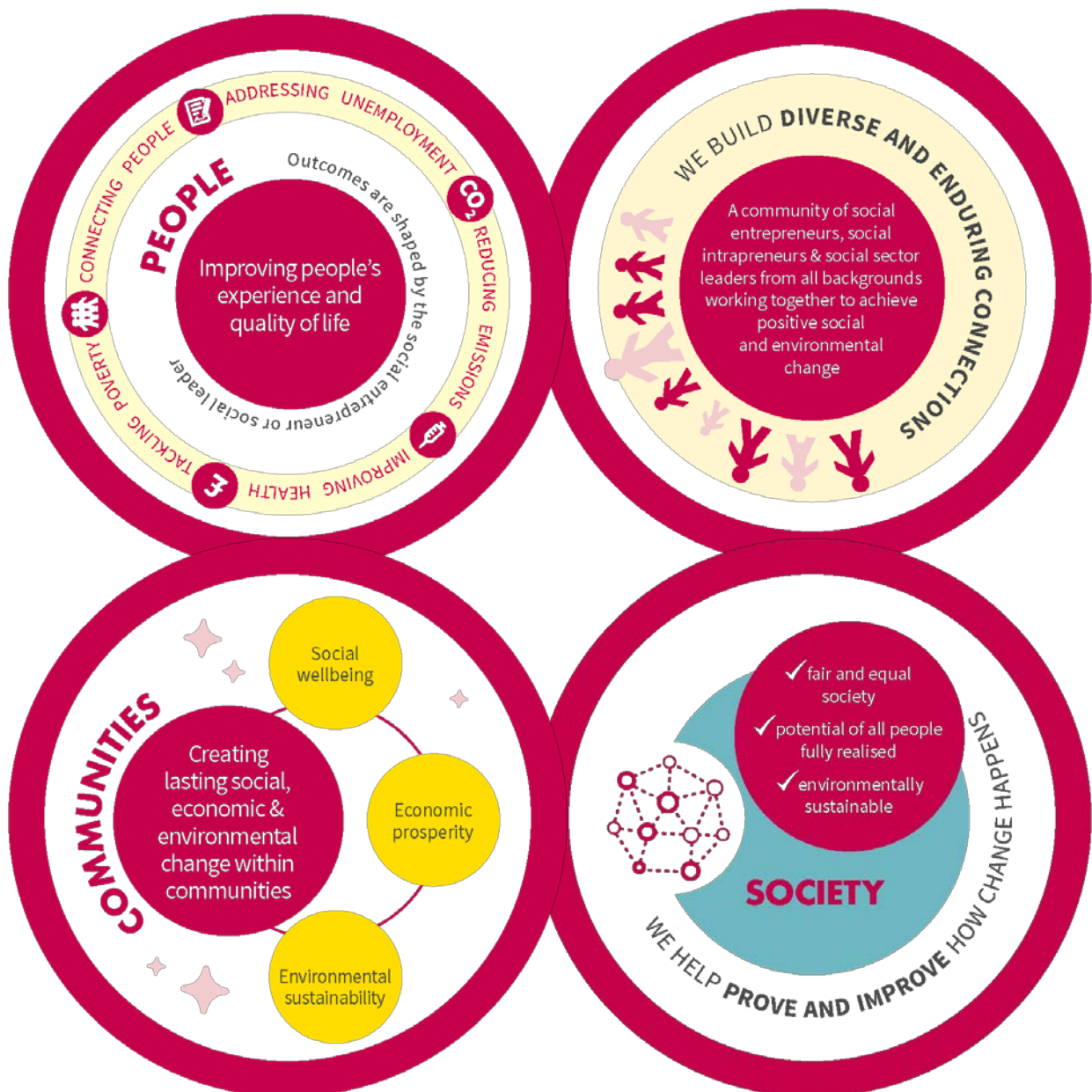
SSE's Theory of Change is based on what we do and what we enable. The blue circles on this page illustrate what we do and what we think of as within SSE's 'sphere of control'. They show the activities SSE undertakes to support individuals on a learning journey and the outcomes that are achieved for the student and their organisation. The next page shows what we enable.



How SSE creates social change

What we enable

The pink circles illustrate what we enable and what we think of as SSE's 'sphere of influence'. They show the outcomes achieved by the student and their organisation for people and communities and how, by being part of the SSE community, we achieve social change together.



Mobilising the experience of enterprising people

SSE mobilises the experience of enterprising people who have identified an unmet social need. We look for individuals who have an understanding of the social issue they aim to address, gained either through direct experience or deep exposure to that issue. We support them to use entrepreneurial approaches to create a sustainable solution to address this issue.

Who we have supported

In 2016-17 SSE supported over 800 individuals through its nationally brokered programmes and London school programmes and courses, all driven by the desire to improve society and create social change. We supported:



Of these, 613 individuals were directly supported by the London school with a further 232 individuals supported by our national programme throughout the UK.

Reaching Social Entrepreneurs

SSE believes everybody has the capacity to be remarkable. We do not require our learners to come with specific educational qualifications and we work hard to make sure that our programmes and courses are accessible, helping people from all backgrounds to realise their potential.

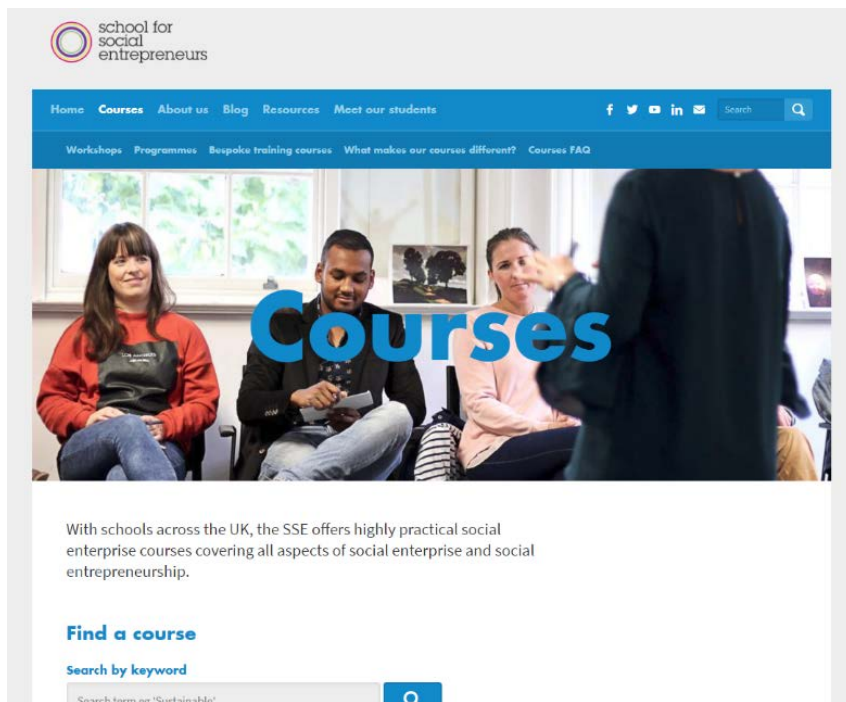
In 2016-17, we used a range of methods to reach those who we felt could benefit most from our courses and programmes:

- We held taster sessions to introduce potential applicants to our programmes, helping them to identify if the programme was well matched for their needs. This included sessions held in community locations such as community centres and CVS offices.
- We sought to minimise barriers to entry for our Fellowship Start Up programme in London by removing the need for a written application, with all interested applicants progressing straight to interview.
- We launched social media campaigns to support recruitment from diverse communities to our Start Up Fellowship programme in London and to the Lloyds Bank and Bank of Scotland Social Entrepreneurs Programme (e.g. Twitter, Facebook).
- We worked with partner organisations, network of SSEs and SSE fellows to identify people who could benefit, sharing information and discussing people's interest where relevant.
- We featured all courses and programmes open for recruitment and booking in SSE's weekly newsletter 'Have I Got Social Enterprise News For You', circulated to over 6,000 subscribers.
- We hosted exhibition stands and stalls at various conferences and community events to reach potential participants. Examples over the last year include the NCVO Annual Conference and Start up Britain NatWest Bus Tour, as well as a range of local and regional events.
- We created new videos to explain and promote more aspects of our work: e.g. videos about our partnerships with corporate funders (RSA, Linklaters).
- We created media toolkits to help strategic partners promote SSE to their audiences.
- We created toolkits for fellows to promote SSE programmes to their networks.

Demand for SSE programmes and courses

In 2016-17:

- We received 1,100 applications across the SSE network from people looking to start up or scale up a social project in their community as part of the Lloyds Bank & Bank of Scotland Social Entrepreneurs Programme, jointly funded by Big Lottery Fund. This represents approximately four applicants for every place.
- We received 85 applications from social sector leaders, often working for established charities, interested in developing their entrepreneurial and leadership skills as part of our 'funder plus' programmes.



AUDIENCE ENGAGEMENT



WEBSITE: 14,000
VISITS/MONTH
AVERAGE



FACEBOOK: 15K
LIKES @SCHSOCENT



TWITTER: 33.5K
FOLLOWERS
@SCHSOCENT



NEWSLETTER:
6,000 ACTIVE
SUBSCRIBERS

- We attracted learners from diverse organisations onto our paid-for short courses and workshops, selling 338 places in total.
- We received 963 initial Expression Of Interests for our newly launched Community Business Trade Up programme with Power to Change, of which 50 were invited to submit full applications for 30 places in London and Liverpool. This represents 32 EOIs for every place.

We support learners of all ages and from all backgrounds. In 2016 we undertook a detailed review of the participants, activities and impact of one of our largest programmes, the UK-wide Lloyds Bank and Bank of Scotland Social Entrepreneurs Programme, run in partnership with SSE and jointly funded by Big Lottery Fund.¹

¹ [Social Impact Review, written by Investing for Good and CAN Invest](#)

The programme has reached a wide range of social entrepreneurs and shows diversity in the age, gender, ethnicity, geographical location and backgrounds of those involved.

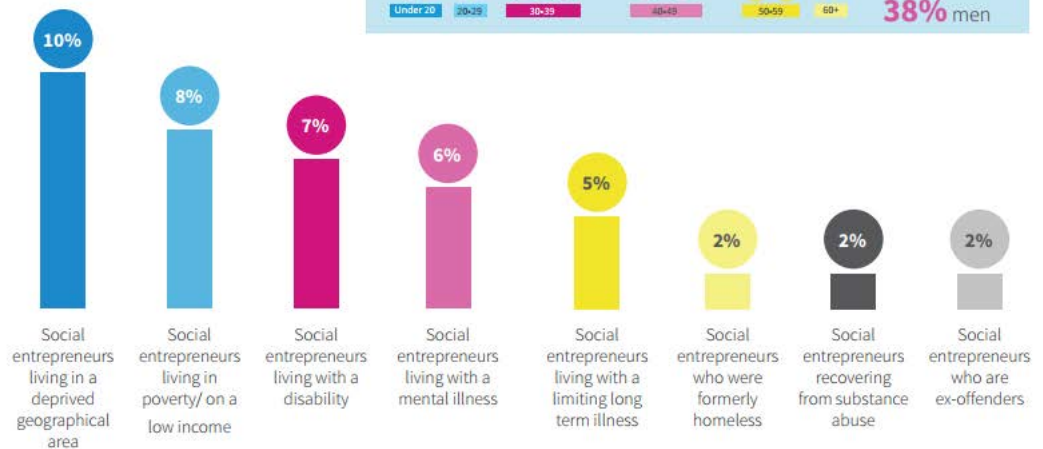
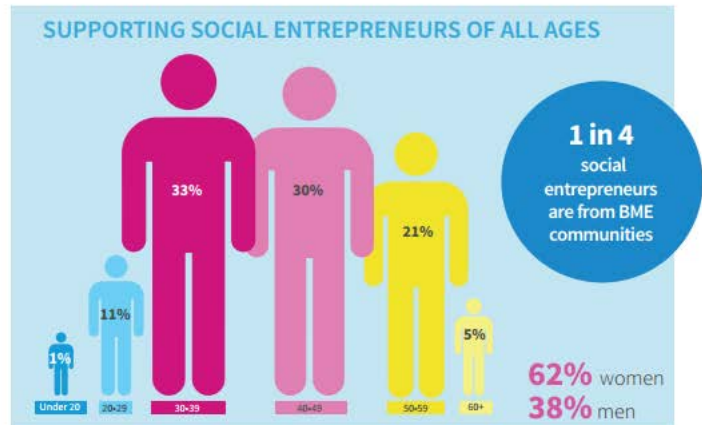
WHO HAS BEEN INVOLVED?

749 social entrepreneurs have been supported in total

706 have graduated from the programme (94% retention rate)

604 start-up social entrepreneurs have been supported to get a new social enterprise, charity or community project off the ground

102 Scale-Up social entrepreneurs with established organisations have been supported to grow and develop their organisation



Providing grant funding to catalyse social action

For some of our learning programmes, SSE provides grant funding to support enterprising people advance their practical ideas for change and help catalyse their social impact. SSE has a dedicated Grants Management Team responsible for administering and managing its grants applications, payments and monitoring, including funds distributed as part of an External Delegation Agreement on behalf of the Big Lottery Fund to participants on the Lloyds Bank and Bank of Scotland Social Entrepreneurs Programme.

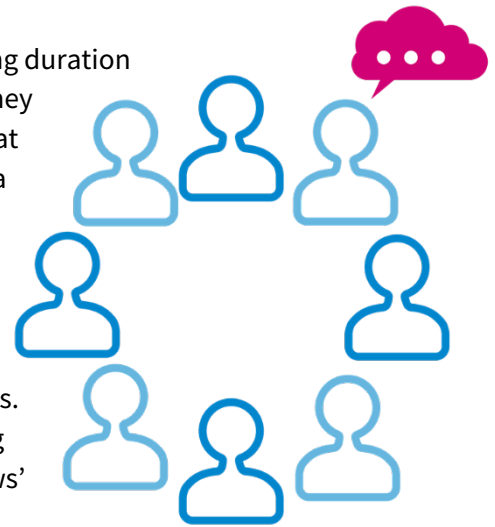
In 2016/17, SSE distributed £1.6m of grant funding as part of this programme to recipient social entrepreneurs, to lead change in their local communities. Alongside this, SSE administered funds of £600k to support its network of eight UK schools outside of London to deliver the Lloyds Bank and Bank of Scotland Social Entrepreneurs learning programme.

Mobilising SSE Fellows

SSE fellows are social entrepreneurs who graduate from our long duration start up and scale up learning programmes. After graduation, they remain an important part of our community as we recognise that achieving social, economic and environmental change is often a long-term goal.

Fellows contribute significantly to programme delivery at SSE. Many SSE fellows 'witness' on our learning programmes, sharing their journey as a social entrepreneur to support others who were looking to establish or grow their own ventures. Others have contributed their time and insights when recruiting new students. We are hugely grateful for this support and fellows' continuing engagement as part of the SSE 'family'.

Where possible, SSE has continued to provide direct support to fellows. In 2016-17 this included: SSE participation in Action Learning Sets; invitations to networking events; brokering introductions with other fellows and with contacts across the corporate, public or voluntary sectors; and developing and profiling case studies via the SSE web and social media sites.



Across the SSE Network...

SSE schools have supported a diverse range of social entrepreneurs, social intrapreneurs, and social sector leaders throughout 2016-17.

The total number of people supported outside of London over the last year is 720. 232 as part of national programmes managed centrally, and a further 488 through programmes and courses designed

14

long duration programmes

20

short courses

4

bespoke programmes

Across our global network, schools have innovated around themes including **tech**, **young people**, **health**, the **environment** and **peace in conflict and violence affected areas**. SSE Canada first launched a programme for social **intrapreneurs** in 2012 and have seen this strand go from strength to strength. The school now hosts the Canada chapter of the [League of Intrepreneurs](#) and in 2016 delivered a programme for 1400 green corporate intrapreneurs, in partnership with the World Wildlife Fund (WWF).

Future plans - mobilising experience

We are committed to developing our reach into diverse communities and mobilising the experience of enterprising people from across sectors to achieve social change.

Priorities for 2017-18 include:

- Building community and other partnerships to ensure we remain accessible to those who might not otherwise access learning programmes and support from SSE.
- Enhancing our offer for SSE fellows to help them track their progress over time and support their longer-term development and sustainability.
- Investigating social investment opportunities to support fellows.
- Developing mentoring opportunities for SSE fellows beyond the end of their programmes, providing on-going support as they develop and grow their organisations.
- Developing additional video and social media content to effectively engage with social entrepreneurs.
- Continuing support for students and fellows via our media channels and PR.





The Horse Course

Harriet Laurie

The Horse Course is an award-winning charity which is using horsemanship as a new and evidence-based method to help at least 200 extremely troubled people each year.

Founder of the course, Harriet Laurie, graduated in 2016 from the Lloyds Bank Social Entrepreneurs Scale Up Programme, run in partnership with SSE and jointly funded by Big Lottery Fund. The organisation uses horses to create positive change in people who are the hardest to reach. Beneficiaries have been referred to the course when the usual talk-based support isn't working. *"All of our work is in partnership with statutory bodies like social services, schools and mental health professionals,"* Harriet states.

Harriet's methods might seem unconventional, but the impact is stark; 85% of youth participants improve their engagement/attendance at school, and there's been a 27% point reduction in prisoner reoffending (an £8.30 return on £1 spent). Over 70% of participants in their ReStart course improve across all 4 outcomes: relationship with peers, family and professionals, problem behaviours, engagement with school or work, and confidence. Actor Martin Clunes and the Lord Knight of Weymouth are supporting the organisation as patrons.

"Our outcomes are so strong in the world of social intervention that we are getting new commissions from local children's services," Harriet says, and her plans for the future are ambitious. "The original centre is here in Dorset, and we now have hubs in London, Wiltshire Gloucestershire and Surrey with plans to support more to open."

"WE HELP PEOPLE LEARN CORE SKILLS, LIKE HOW TO BE CALM, SET A FOCUS, COMMUNICATE, READ OTHER PEOPLE'S EMOTIONS AND RESPOND APPROPRIATELY"

Doing learning differently

SSE provides a wide range of learning and development programmes, ranging from one-day workshops to year-long programmes. We follow a 'learning by doing' approach, ensuring individuals have a practical project idea or existing organisation within which they can apply their learning. Our approach is also cohort based, encouraging social entrepreneurs and social sector leaders to learn from their peer group during and after the programme.

During this year, SSE launched our new Theory of Change. As part of this process we identified four core learning outcomes – business skills, emotional resourcefulness, networks and social impact – that we believe help position those attending our courses for sustainable social change.

We use these four outcomes to inform the design of our courses and programmes and support learners to progress in these areas. Some SSE programmes aim to focus on particular outcomes whilst others support people's learning and development across all four.

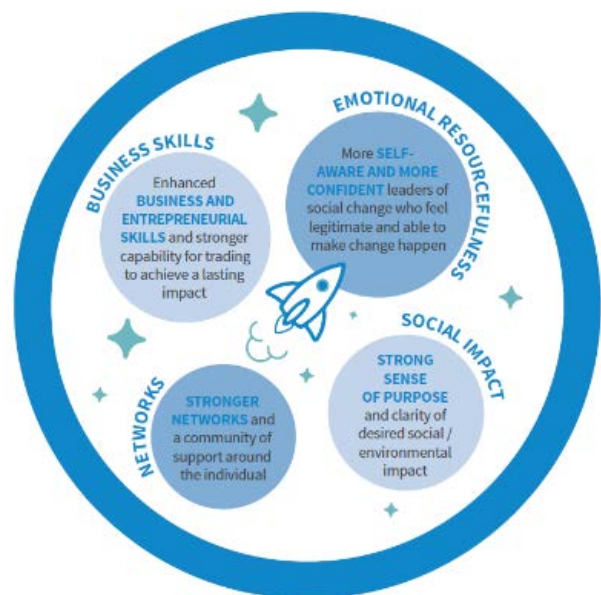


Figure 1: Learning outcomes of SSE programmes and courses

In doing learning differently, SSE programmes combine a range of elements, all of which contribute to our Theory of Change:

- **Witness Sessions**

Participants listen, learn, question and network with entrepreneurs who share their own experience and discuss the secrets of their success. They do not lecture, but give evidence for participants to examine and find the meaning that they need for their own ventures.

- **Expert Sessions**

Through questioning, observing and listening to experts, participants improve their abilities in areas such as financial management, income generation, business planning, sales and marketing, managing people and other essential skills.

- **Project Visits**

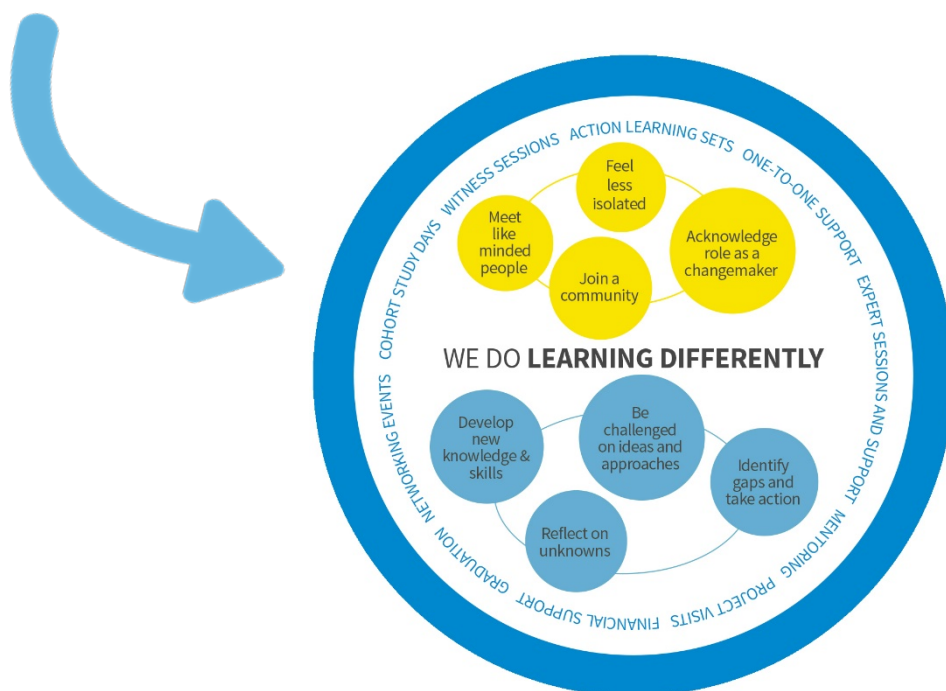
Participants investigate established organisations first-hand, visiting entrepreneurs who share their experience with the participants.

- **Action Learning Sets**

With a trained facilitator, participants work in small groups to find useful and powerful ways of overcoming the stumbling blocks, dilemmas and other problems they face.

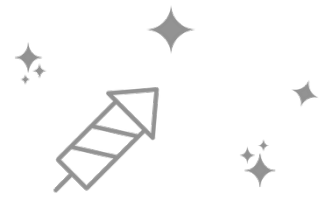
- **Mentoring**

Students are paired with a mentor to help build participants' confidence, and understanding of personal and project development, whilst developing mutually beneficial relationships between mentors and mentees.

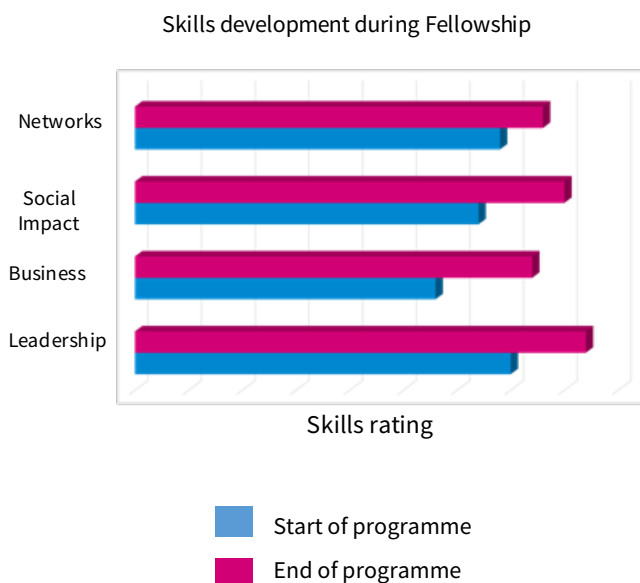


Getting new ideas off the ground

We supported 16 social entrepreneurs who graduated from the nine-month **Start Up Fellowship programme** in London. The programme attracted a diverse group of participants all looking to turn their ideas into reality. Of these projects, 84% were operated in the UK and 16% overseas, and a broad range of social issues were addressed. All students on the programme received study sessions with the opportunity to hear from other social entrepreneurs and experts, membership of an Action Learning Set, and a mentor matched from one of the Fellowship Programme's corporate supporters – PwC, Linklaters and RSA.



Over the year, SSE continued its successful partnership with Lloyds Bank, Bank of Scotland, and Big Lottery Fund to deliver the **Lloyds Bank and Bank of Scotland Social Entrepreneurs Start Up Programme** across the UK. A total of 12 Start Up programmes are delivered throughout the UK each year, and over 200 social entrepreneurs in the 2015-16 cohort graduated from the programme in Autumn 2016. This is a twelve-month programme delivered in collaboration with SSE schools throughout the country: SSE London; SSE Hampshire; SSE Cornwall; SSE Dartington; SSE Midlands; SSE North West; SSE Yorkshire, Humber and North East; SSE East; and SSE Scotland. Each social entrepreneur on the programme has access to 14 study days with witnesses and experts, Action Learning Sets, a Lloyds Banking Group mentor, and a £4000 grant from the Big Lottery Fund plus grant management support. In October 2016, a further 253 students commenced the programme at Start Up level as part of the Year 5 cohort.



BEING ON THE PROGRAMME WAS A BLESSING, THE PARTS I APPRECIATED THE MOST: BEING WITH PEOPLE ON A SIMILAR JOURNEY, HEARING FROM WITNESSES WHO ARE FURTHER ALONG ON THE JOURNEY AND FINALLY, HAVING MENTOR SUPPORT. THANK YOU SO MUCH!"

Michel Thill, Social Landscapes, Start Up Fellowship Programme

Social Entrepreneur of the Year Award

In partnership with Lloyds Banking Group

Open to all Scale Up students

Shortlisting & public vote

Total votes in 2016/17 was over 13,000

**First Prize £10,000, Second Prize £6,000
and Third Prize £4,000**

**2015/16 winner was Sophie Unwin of
Remade in Edinburgh**

Remade in Edinburgh is a social enterprise that creates a new business model around repair education.

We teach furniture, computer and textile repair skills and campaign for zero waste. We run a centre – the Edinburgh Remakery, which we opened this May - where we also sell refurbished furniture and computers and hire workbenches.

We want to create an alternative to disposable society, create jobs, build community and educate people about how things are made.

We run a popular free weekly repair surgery with computer and sewing tuition. We seek funding to subsidise further free workshops throughout the city targeting disadvantaged groups. We are open to all and ensure our goods and services are affordable.

In Edinburgh, we have created over 12 jobs, 20 freelance roles and more than 100 volunteering opportunities. We have saved two jobs from being cut through a new partnership this year, and helped over 5,000 people learn practical repair skills.

We have opened a new centre – the Edinburgh Remakery – converting a former bank branch to a space where people can learn to fix furniture, computers and textiles, hire workbenches, and buy quality affordable computers and furniture. We have diverted 300 tonnes of waste to landfill to date.



Growing and scaling

We delivered the **Lloyds Bank & Bank of Scotland Social Entrepreneurs Scale Up Programme**, jointly funded by **Big Lottery Fund**, in London (SSE London) and Liverpool (SSE North West). Scale Up is a twelve-month programme for people with an established and sustainable social organisation that they are looking to grow. Students on the programme receive a grant of up to £15,000 from the Big Lottery Fund and last year (Cohort 4) we supported 42 students through the programme.

Over the last year we also piloted a new programme, **Trade Up**, as part of the Lloyds Bank and Bank of Scotland Social Entrepreneurs Programme, jointly funded by Big Lottery Fund. We worked with a cohort of 19 students in London to test and refine the programme with an emphasis on supporting established social entrepreneurs to grow their organisations through developing their traded income, such as contracts and direct sales to customers.

In October and November 2016 we delivered a **bespoke learning programme** for **Blue Ventures**, a marine conservation charity who support communities to develop their own locally managed marine areas to sustain local fisheries and safeguard biodiversity, and promote community health and education. Our programme, run over four workshop days, was designed to give their UK-based team of 16 insight and support in relation to: scaling internationally, cultivating an entrepreneurial mindset, creating an organisational culture fit for growth, and action planning to help them achieve their goal to reach three million people in coastal areas by 2020.



Power to Change
Grantee Support
Programme

Supporting community businesses

SSE significantly expanded its support to the community business sector in 2016-17. Following an initial pilot programme in 2015, we developed our partnership with Power to Change to offer two learning programmes tailored to the needs of community businesses.

SSE London and SSE Yorkshire, Humber and the North East have worked together to deliver the **Power to Change Grantee Support Programme** for community businesses who are in receipt of grant funding from Power to Change. This has comprised a series of one- and two-day workshops, running in East London and Wakefield, covering a range of issues including business models, income generation and community finance, managing assets, community engagement, social impact measurement and governance. Over 30 community businesses have participated to date, with the programme due to continue until July 2017.

"I FEEL ENCOURAGED AND REINVIGORATED BY THE PROGRAMME. IT HAS HELPED ME TO BELIEVE IN THE POTENTIAL FOR THE SUCCESS OF THIS PROJECT AND GIVEN ME THE CONFIDENCE TO PUSH FORWARD WITH OUR OBJECTIVES."

Aine Douglas, Incredible AquaGarden, Power to Change Grantee Support Programme

We are delighted to report that during the year we also worked with Power to Change to design and recruit to the **Community Business Trade Up Programme**, a six-month learning programme accompanied by a grant of up to £10,000 for early-stage community businesses that are planning to grow. Delivery of the programme will commence for 30 community businesses in April / May 2017, by SSE London and SSE Liverpool. Following on from this development year the programme will be rolled out to 100 community businesses across eight locations from January 2018. This provides much needed community level support and engagement through our network of local schools and we are delighted to work with Power to Change over the coming year.

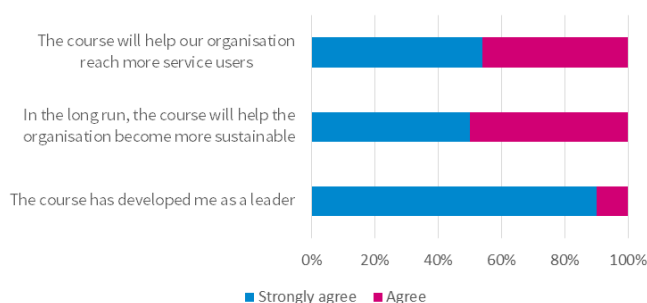
Supporting 'Funders Plus' grantees with leadership and sustainability

Throughout 2016-17 we have continued our successful programme of work with independent grant-making trusts and foundations who are keen to provide a 'funders plus' offer to their grantees, complementing the financial support provided by the grant and maximising the impact of their investment.

We delivered a successful **Leadership and Sustainability Programme** on behalf of **Lloyds Bank Foundation**, supporting a total of 44 learners with a nine-day training and development programme, commencing as two cohorts in May 2016 and November 2016.

The programme included study sessions on leadership, sources of income, marketing, and communications as well as opportunities for practical problem solving through Action Learning Sets. We also undertook a six-month follow-up with learners from the May 2016 cohort, wherein 78% of learners told us that the programme helped position them to develop a more sustainable business model for their organisation while 95% felt the programme helped develop their leadership skills.

Leading Sustainability Programme:
End of Programme Evaluation



"AN EXCELLENT COURSE. I HAVE LEARNT SO MUCH AND MET SOME GREAT PEOPLE. "

Julia Acott, Leadership and Sustainability Programme, Lloyds Bank Foundation

58

Lloyds Bank Foundation grantees registering interest in the programme

44

places offered across the May and November cohorts

100

percentage of participants who rated the programme as 'extremely good' or 'good'

95

percentage of participants who completed the programme

We entered our second year of a three-year partnership with **Mercers Charitable Company** to provide 12 places on the **Leading Sustainability Programme**.

Learners attending the programme were provided with up to £3,000 bursary support from Mercers to support their participation. The programme comprised three Action Learning Sets and three two-day study blocks over a period of four months, covering Leading a Sustainable Organisation, Foundations for Sustainable Growth, and Developing Diverse Income Streams.

“THIS IS AN EXCELLENT COURSE. FANTASTIC CONTENT THAT REALLY MAKES YOU THINK AND GIVES YOU THE OPPORTUNITY TO CONNECT WITH OTHER CHARITY LEADERS TO SHARE THE HONEST HIGHS AND LOWS OF CREATING SUSTAINABLE ORGANISATIONS.”

Mark Hobbs, Reaching Higher, Leading Sustainability Programme, Mercers Charitable Company

Building skills in specialist areas

We focused on supporting the social enterprise, charity and public sectors to develop specialist skills by running 28 workshops and short courses throughout 2016-17. These paid-for courses help bring sales income into SSE to complement our fundraising activity. We run an annual training needs survey and use the findings to shape the content, format, and pricing of the workshops. In response, this year we developed and launched new courses and workshops on:

Third Sector Digital Leaders

A four-day course designed and delivered in collaboration with Zoe Amar Communications on digital leadership for leaders and senior management of charities and social enterprises.

Developing a Fundraising Strategy

A one-day workshop on how to create a fundraising strategy and improve strategic decision-making, designed and delivered in collaboration with Mike Zywna of Lime Green Consulting.

Negotiating Difficult Conversations

A practical one-day workshop on how to deal effectively with workplace conflict with staff, colleagues, customers and stakeholders such as funders and trustees.

Finding New Customers and Making More Sales

A one-day workshop delivered in collaboration with Leapfrog on identifying markets and customers, developing sales techniques, and setting business development goals and sales targets.

Other one-, two- or three-day workshops included partnering with NEF Consulting on **Measuring Social Impact** and with Action Learning Centre for **Action Learning Facilitator Training** as well as a series of one-day workshops on **Unlocking Social Finance**, **Writing Successful Bids**, **Working with Corporates**, **Kickstart Your Social Media Strategy**, **Sources of Funding**.

Throughout the year we also repeated two of our successful short courses, **Transition to Trading** and **Replication and Social Franchising**. We provided learners with access to six days of learning over a period of three months, helping their organisations diversify income streams and scale their activities and social impact respectively.

“A REALLY USEFUL AND CRUCIAL COURSE. THIS IS ONE OF THE BIGGEST AREAS FOR CEOS IN THE 3RD SECTOR”

Simon Hopkins, Turn2Us, Third Sector Digital Leaders

“A GOOD BALANCE OF INFORMATION FROM THE TRAINERS AND ACTIVITIES. THE TRAINERS WERE EXTREMELY KNOWLEDGEABLE AND CREATED AN INFORMAL, FRIENDLY ENVIRONMENT”

Libby Brown, Leap East CIC, Developing a Fundraising Strategy



Future plans – doing learning differently

We take seriously the quality and impact of our learning offer. We constantly review areas for improvement and development, as well as introducing innovations to the type of programmes and courses we provide to meet individual and sector needs.





Excite-ed Techsafe

Julia Bateson

An educational technology social enterprise, tackling children's internet safety by delivering products and services to schools, social services and children's safeguarding boards. Julia graduated in 2016 from the Lloyds Bank Scale Up programme, run in partnership with SSE and jointly funded by Big Lottery Fund, returning to SSE after completing the Start Up Programme in 2013.

"According to UNICEF, the most challenging child-protection issue we face in the 20th Century is internet safety", says Julia. "The majority of Excite-ed's work is running training workshops for professionals, children, young people and parents about children's online safety."

Having worked in education for three decades, Julia is dedicated to helping parents become more aware and involved with their children's digital activities. *"We tell parents that internet safety is all about risk management"* Julia explains. *"We recommend they don't ban digital devices (because their children will do it behind their backs anyway) but we show them how to set parental controls, manage online risks, and tell them to talk to their children about what they're doing online."*

Excite-ed's outcomes speak for themselves; after attending a workshop, 83% of parents put at least one form of parental control on the devices their children use (up from only 25% prior to the workshop) and 95% of parents talked to their children more about their online activity. The social enterprise has a reach of more than 6559 people, and has delivered in over 17 schools.

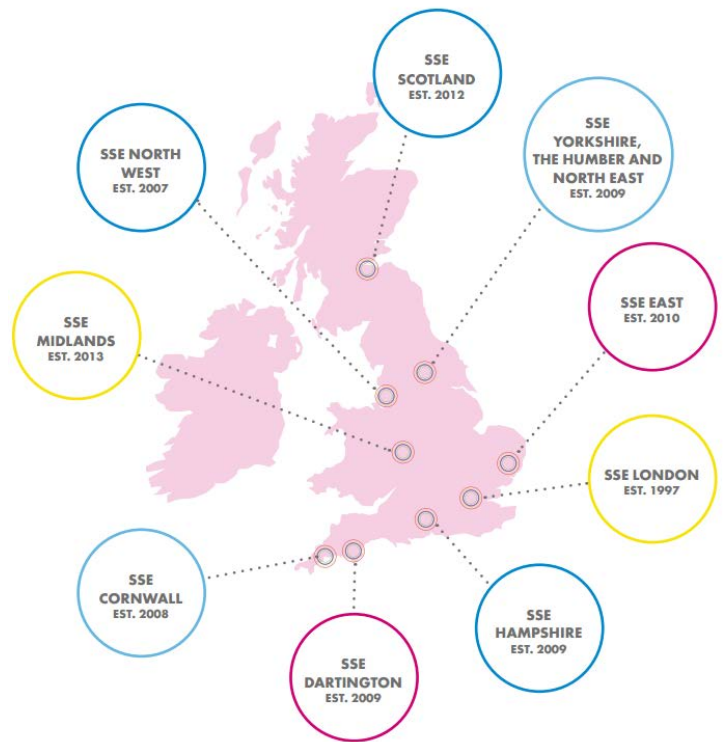
**ALREADY OUR TRADED INCOME IS
HIGHER AT MONTH NINE OF THIS
YEAR THAN THE WHOLE OF LAST
YEAR.**

While on the Lloyds Bank Scale Up Programme in 2016, Julia faced difficulties in scaling up due to the lack of funding in education. *"I had to make some tough decisions, but what I learned through coming to SSE is that if your model isn't working, you need to change it just to sustain. I took the decision to run the company part-time and bring in an operations manager. Already our traded income is higher at month nine of this year than the whole of last year."*

Building a network of vibrant, sustainable schools

SSE plays a key role in connecting, leveraging and building the capacity of our network schools and their staff, supporting them to reach social entrepreneurs and affect grassroots change in their local communities. This local network enables SSE to deliver a ‘best of both worlds’ model for social entrepreneurs, delivering programmes and support tailored to the local context and informed by local experience, while also bringing to bear the reach and experience of a national and international organisation.

This year we have much to be proud of. We expanded our reach, thanks to SSE India’s successful inaugural programme reaching 18 social entrepreneurs with a nine-month programme. However, we were saddened to announce that after seven years of leading early stage social enterprise development, our school in Australia wound-up its operations. With over 450 alumni from over 30 programmes held in Sydney, Melbourne, Perth, Brisbane, Mildura, Alice Springs, Wollongong, Coffs Harbour, Cairns, Bendigo and Myrtleford, SSE Australia has been a leader and key contributor to the development of the sector. The organisation closed proud of its contribution and happy in the knowledge that the sector has taken root and will continue to evolve well to serve communities. This was a very difficult decision for the team in Australia to make, and SSE whole heartedly supported their decision.



SSE supports the network schools in three key areas: Quality and Learning, Sustainability and Development and Branding and Communications, and these areas have placed an increasing importance on the support we provide to our schools to develop their own sustainable business models.

The Network Strategic Forum (established in 2015) inputs into the review and development of our global strategy. The Forum meets twice a year to hold SSE to account and plan for future activity and direction, which during 2016-17 involved focusing on our Theory of Change and social impact measurement.



Quality & Learning

We take our role as a convener, facilitator and capacity builder seriously. We provide learning and support opportunities for network school staff in a range of ways throughout the year, every year.

We have an ongoing programme of learning, development and support activities available for network of schools staff. This year that has included:

- **Facilitator training** – 12 learning managers and facilitators attended training in SSE's unique Action Learning approach.
- **Peer to peer exchanges** – 12 UK learning managers and facilitators developed their skills through observing each other 'in action' in the training room.
- **Virtual peer-to-peer exchanges** – our international schools are trialling an online tool that is enabling peer-to-peer observation from Delhi to Toronto.
- **UK Staff Day** – 19 staff from across the UK network gathered to learn together and share their programme and funding ideas and innovations.
- **Monthly calls** – nine Learning Managers and 10 CEOs participated in monthly calls, sharing learning and developing ideas together and staying connected.

- **Short courses** – all network staff have free access to the suite of short courses and workshops offered in London to social sector leaders.
- **Coaching and support** – available to all network staff on an ad hoc basis. SSE India has received particular attention this year as they established their school and delivered their first Fellowship programme.

This year we have extended our Good Practice Guide to include advice for running a sustainable school, and how to communicate impact effectively.

We have also increased the amount of peer-to-peer exchanges provided across the network for Learning Managers to meet, exchange and learn from their peers. Over the year we would look to expand this to other peer learning opportunities.

To ensure consistent quality of delivery across our programmes we conduct an annual Quality Audit. In line with our learning approach this is a reflective process that invites all members of the team to reflect on the successes and challenges of the year and to pose learning edge questions for their school to address during the coming year.

Three key themes arising from the 2016 Quality Audit will drive the direction of much of our activity for the coming year 2017-18. SSE's approach to **mentoring** and to **action learning sets** will be reviewed by our Good Practice Working Group to ensure our programmes remain cutting edge and deliver the best possible experience for the social entrepreneurs we support. From an organisational development perspective, we will be working with schools on developing **sustainable and earned income streams**.



"WE RECENTLY HAVE APPOINTED A NEW CHAIR OF OUR BOARD. ONE OF THE FIRST TASKS HE WAS KEEN TO UNDERTAKE WITH OUR BOARD WAS A RELATIONSHIP MAPPING EXERCISE. AMY, OUR SSE REPRESENTATIVE ON OUR BOARD, OFFERED TO FACILITATE THIS SESSION.

AMY WAS GREAT, AS SHE DID ALL THE PRE-WORK FOR THE SESSION AND FACILITATED AN EXCELLENT SESSION ON THE DAY. THIS ALLOWED ME TO FULLY ENGAGE WITH THE SESSION AS A BOARD MEMBER, RATHER THAN HAVING TO FACILITATE AND TRY TO PARTICIPATE AS HAS HAPPENED IN THE PAST."

Sue Osbourne, CEO of SSE Yorkshire and Humber

Sustainability and development

During 2016-17 we spent time focussing on better understanding our network schools and their sustainability and development needs, given the challenging market place in which they are operating.

We undertook a network-wide financial health check and a training analysis, which has helped to identify those schools that are excelling in specific areas such as funding, financial management, HR, governance and communication. This has allowed us to facilitate expertise sharing between network colleagues and develop training and tools that directly respond to schools' needs. These tools will be rolled into the Good Practice Guide, and the training will be incorporated into a learning programme for the Heads of School from across the SSE network in the coming year.

Representatives from SSE Central sit on the Boards and Steering Groups of all network schools. In addition to active participation in meetings, we have supported the development of the SSE India Board and the recruitment of the new Head of School at SSE North West.

"THE SUPPORT WE HAVE HAD FROM STAFF AT SSE CENTRAL HAS BEEN EXTREMELY HELPFUL. EMILY, AMY AND PHILIPPA DESERVE PARTICULAR MENTION BUT ALL STAFF IN THE LONDON OFFICE HAVE BEEN VERY SUPPORTIVE."

Charles Rapson, CEO SSE Midlands

Branding and communications

Building communities and fostering interactions is a key element of our approach, whether that's our students and fellows, our staff and volunteers, or the wider social enterprise sector.

To improve internal communications and support our network schools, we have:

- Developed an in-depth Branding & Communications section for our Good Practice Guide.
- Audited communications needs at network schools and developed additional communications tools and collateral in response to identified needs.
- Created regional impact infographics to support schools' fundraising.
- Implemented a fortnightly Network Bulletin to streamline internal communications and reduce email burden.
- Created social media content for schools use in key campaigns.

Future plans – building a network of schools

We are committed to maintaining our position as an innovator and provider of cutting edge support for social entrepreneurs and for the network schools that support them. During 2017-18 we will:

- Roll out more support opportunities for students and fellows to share ideas and opportunities, access resources, advice and support.
- Utilise technology to better enable network school staff to co-create and innovate new programmes and ideas.
- Develop more efficient and streamlined internal systems, enabling staff to focus our time and skills where it matters – on supporting social entrepreneurs.
- Roll out targeted volunteer opportunities to leverage support across our network of schools.
- Review the mentoring component of our long duration programmes to ensure we are continuing to meet the needs of both mentors and mentees, implementing improvements as necessary.

Creating social change

Our support helps individuals to establish new social enterprises and organisations, and sustain or scale existing ones, so that they create sustainable solutions to address unmet social needs.

We do this in the following ways:

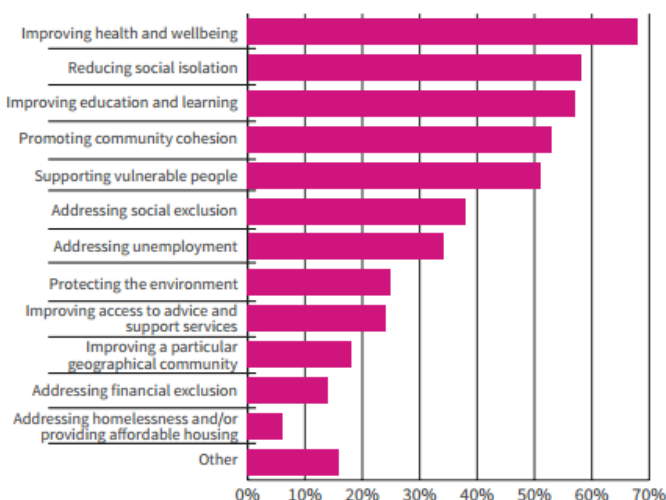
- Improving people's experience and quality of life.
- Creating lasting social, economic and environmental change within communities.
- Building diverse and enduring connections.
- Helping prove and improve how change happens.

Improving people's experience and quality of life

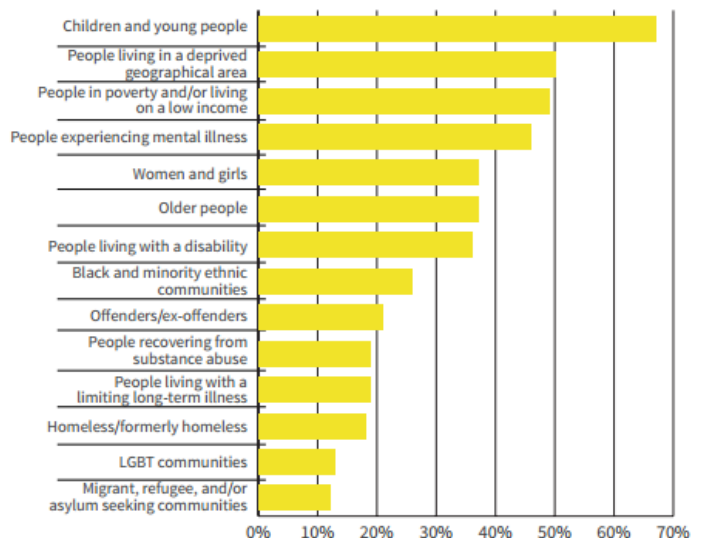
A social impact review of the Lloyds Bank & Bank of Scotland Social Entrepreneurs Programme, run in partnership with SSE and jointly funded by Big Lottery Fund, carried out by Can Invest and Investing for Good highlighted the breadth of social issues addressed and the range of beneficiary groups supported by those accessing the programme.

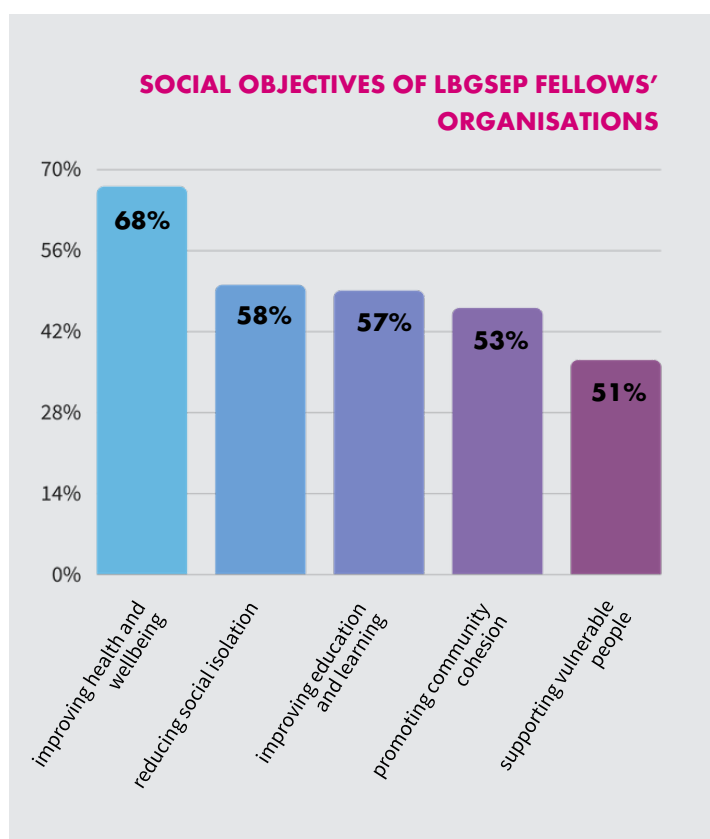
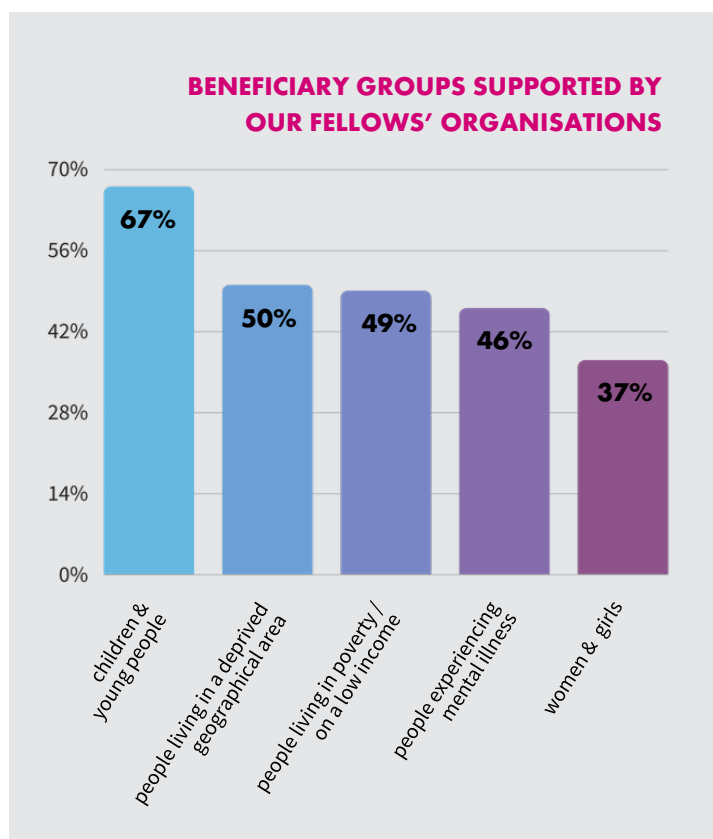
Our students and fellows work in the following areas:

Key social/environmental objectives



Key beneficiary groups





As well as directly supporting their beneficiaries, 67% of fellows involve their beneficiaries in the running of their organisation and 64% of fellows involve volunteers from a vulnerable background. The majority also reinvest their profits or surplus for an environmental or social benefit – creating a virtuous circle!



Beneficiaries of The Raunchy Rockers, social enterprise of SSE Allison Noriega-Clarke

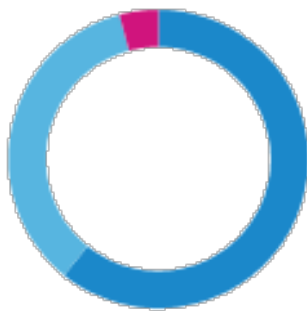
Creating lasting social, economic and environmental change within communities

By creating local employment opportunities, reinvesting profits, or doing business with other social enterprises, social entrepreneurs and the organisations they run, support economic development and make an important contribution to the local, regional and national economy.

The social impact review also found that in addition to directly impacting their beneficiaries, social entrepreneurs who graduate from the programme are also helping to build stronger communities:

73% 'buy local' i.e. buy products or services from suppliers within the local economy

60% 'buy social' i.e. buy products or services from a social enterprise



Help people to connect with others they might not otherwise meet



Promote neighbourliness and encourage people to help each other out



Help to build strong, vibrant communities (geographical or otherwise)



Promote trust within and between communities

■ Strongly agree
■ Agree
■ Disagree



Healthy Habits

Barbara Gray

Barbara graduated from the Fellowship Programme in 2016, and is working to extend the length and quality of health of African and Caribbean communities in London.

“Healthy Habits believes in a world without health inequalities, working to extend the length and quality of health of African and Caribbean communities in London.

“I have much more clarity, confidence and understanding of myself and what I set out to achieve. I have had the space to think and be supported. Moving from an idea to practice is terrifying and the SSE facilitated my idea becoming a reality with benefits to community and to service design.

“[My mentor] understood what I was doing which was reassuring and recognised a commercial business model that matched my approach which was great. They provided a listening ear and motivation helping to set targets. They gave me the opportunity to see my project from a corporate perspective and recognition of the size of the task and value and contribution of my work.”

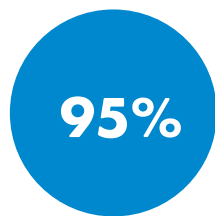
“AS INNOVATION BECOMES AN INCREASINGLY IMPORTANT FOCUS FOR ALL BUSINESSES, WORKING ALONG-SIDE THOSE WHO ARE DEVELOPING ENTERPRISES FOR THE BENEFIT OF SOCIETY PRESENTS A VALUABLE OPPORTUNITY FOR SHARED LEARNING. WE CONGRATULATE ALL FELLOWS OF 2016 AND LOOK FORWARD TO HEARING ABOUT YOUR PROGRESS IN THE FUTURE”

Mike Bienenfeld, Partner at Linklaters LLP

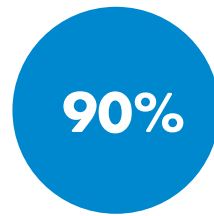
Building diverse and enduring connections

SSE is founded on connection and community. Our action learning approach facilitates learning and sharing between peers. We encourage students to expand their networks and seek support from others who can help them achieve their goals and expand their social impact.

On our long duration programmes we leverage support for students from a variety of sources. One of the ways we do this is through our mentors, including those from our corporate partners who work with the social entrepreneurs and accompany them on their journeys. Students benefit from working their ideas through with someone who can help them reflect on the challenges and opportunities they face. Those who mentor on our programme frequently report being impressed and inspired by the passion and commitment of our social entrepreneurs, and often support them beyond the end of the programme.



...have stayed in contact with people they met during the programme.



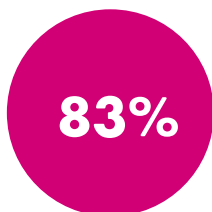
...said those contacts had been useful to them personally and to their organisations.

Proving and improving how change happens

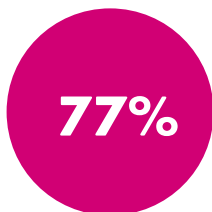
At SSE we believe it should be the organisation leaders who determine the specific outcomes they will achieve for people and communities, not us.

We support students to identify:

- How their work will improve people's experience and quality of life
- How their work will improve the social wellbeing, economic prosperity and/or environmental sustainability of communities



...feel more confident in being able to achieve positive social / environmental impact as a result of the programme.



...feel more confident about being able to measure their impact as a result of the programme.



...of fellows are already measuring the impact their work has on their beneficiaries.

Future plans – creating social change

We are committed to extending our impact by supporting students and fellows to expand and to measure their social impact. Priorities for 2017-18 include:

- Extend support for fellows beyond graduation, providing more opportunities for them to connect with peers, access support and resources.
- Develop tools to support students and fellows to better capture and communicate the impact they are having.
- Develop tools to support the sustainability of social enterprises.



Employees and volunteers

Employees

We value greatly our passionate and creative team who support social entrepreneurs to achieve our social impact together. During the year our team comprised 26 members of staff with a full-time equivalent value of 22. The staff team were supported by temporary and freelance staff, some of whom are fellows of SSE, including witnesses, experts and action learning facilitators.

Our recruitment procedures encourage equal opportunities regardless of race, nationality, ethnic origin, region, belief, gender, disability, sexual orientation, age, or employment status. We do not condone or tolerate any form of discrimination in our recruitment or practices.

Our remuneration policy for all staff is based on an open and transparent scale where pay is determined by job grade and a five-point system. The scale was comprehensively reviewed in January 2016. Cost of living pay reviews take place annually and are agreed by the Trustees as part of the budgeting process.

Volunteers

SSE is supported by an extensive and hugely valued network of volunteers. Over the course of the year volunteers have supported SSE in various ways including:

- Speaking as 'witnesses' or 'experts' on SSE programmes and courses: in London alone over 100 people have volunteered their time in this way.
- Providing one-to-one support to students as mentors: just under 200 corporate mentors have volunteered their time to support SSE students in 2016-17, with a further 37 volunteer mentors from non-corporate backgrounds also lending their support.
- Providing tailored advice and support for students, focusing on skills and/or areas for development e.g. business planning support.
- Working alongside SSE staff to inform or develop the design of programmes and courses e.g. design thinking.

Supporters

SSE is fortunate to be supported by several partners and funders, many of whom we have long term relationships with.

Our supporters include the government, corporates, trusts, foundations and individual donors. Working with partner organisations helps us to offer social entrepreneurs the support they need to turn their ideas into sustainable enterprises.

To all our supporters, we are incredibly grateful for the support provided; thank you.

Financial review

Financial Results

Net funds have reduced by £84,450 over the year. Restricted funds reduced by £151,813. This was offset by an increase in unrestricted funds of £67,363.

Income

SSE's main sources of funds are from trusts, foundations, and corporate donors in support of our primary learning and grant support programmes. We also receive some non-primary purpose trading income through our subsidiary, SSE Social Enterprise.

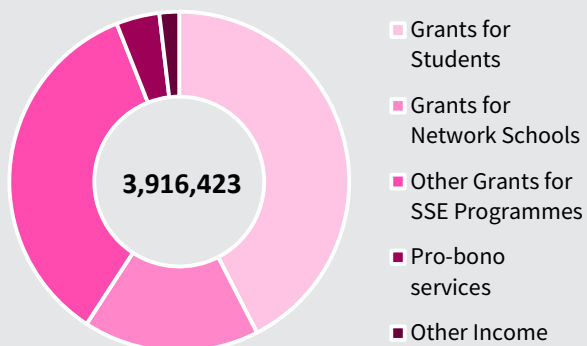
Total income for the group in the year to 31 March 2017 amounted to £3,916,423, a decrease of £19,340 over the prior year, and also £39,214 less than budgeted. This was largely due to a decrease in donations towards SSE's charitable activities and in particular the loss of an expected £65,000 in donations due to the closure of a corporate donor.

Expenditure

In the year to 31 March 2017 the total expenditure for the group decreased by £115,920 to £4,000,873. Expenditure on charitable activities was £96,806 less in the year and grants distributed to students and SSE Network Schools was also reduced by £83,130. However, staff costs increased by £39,183 in line with the planned addition of 1 Full Time Equivalent staff member. Increased resources of £61,632 (2016: 8,844) were also expended on Legal and Professional services in the year across a range of activities, from renewal of the SSE office lease to, primarily pro-bono, advice on legal and tax issues arising from new grants and contracts.

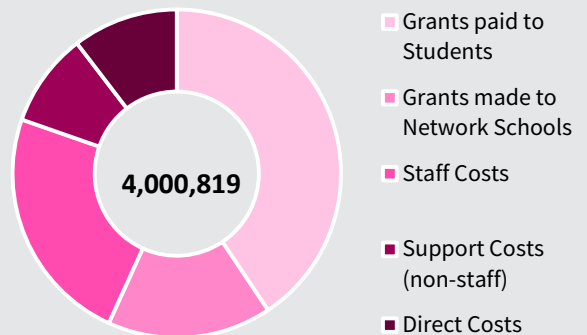
INCOME ANALYSIS

2016/17



EXPENDITURE ANALYSIS

2016/17



Reserves Policy

The SSE Board conducts an annual review of the general reserves held by the organisation in light of long-term funding plans, planned commitments, key risks identified in the risk review, and forecast operational costs. Currently, SSE aims to hold general reserves representing at least six months of forecast operational expenditure to allow for considered responses to unplanned events and implementation of contingency plans. Based on the budget for 2017-18, the target reserves figure is £1,094,200. General Reserves at the year-end were £1,147,380, exceeding the target by £53,180. In light of future fundraising challenges post 2017/18 the board has decided the current reserves target should be maintained and any excess funds invested in longer term sustainability planning.

Investment Policy

SSE Trustees have adopted a three tier investment policy, dividing our assets into short, medium and long-term deposits and investments. A proposal to move a proportion of long-term cash reserves into long-term investments has been accepted by the Board. An initial £100,000 was deposited with CCLA Investment Management Limited. These funds have subsequently been used to purchase units in the COIF Charities Investment Fund. Further investments will be kept under review.

Investment performance and new proposals are reviewed at quarterly Finance, Audit and Risk Committee meetings and investment recommendations are made to the full Board as required.

Risk management

The Trustees are responsible for ensuring effective risk management. Whilst no system of internal control can provide absolute assurance against material misstatement or loss, SSE believes that it has appropriate controls in place to manage the risks to which it is exposed. These include operational systems and procedures, long range plans for the development and stewardship of sources of finance, appropriate staff training, insurance, targeted support for students and investment in new products and services.

SSE maintains a Risk Register that is reviewed annually by the Trustees, and on a more regular basis by the Senior Management Team and Finance Audit and Risk Committee. Risks are considered individually and collectively, applying the Charity Commission's recommended approach of Impact x Probability + Impact, and the risks are assigned to a member of the Senior Management Team. The key risks are set out below alongside the key controls to manage them.

| Key Risk | Key Controls |
|---|--|
| Changes in the external financial or regulatory environment adversely impacting the market for social entrepreneurs. | <i>SSE closely reviews external developments and trends and reports on specific areas, where appropriate, to the Board. These factors are also incorporated into our strategic plans and budgets. Where appropriate SSE works with partners in the sector to influence key decision makers.</i> |
| Failure to comply with SSE's operational policies and procedures that may lead to adverse publicity and reputational damage to the SSE brand. | <i>SSE promotes responsible and ethical business practices amongst all its staff and has procedures and processes in place to manage and mitigate risks to its reputation. These include a complaints procedure for students and staff, quality audits and Board or steering group representation at member schools, brand guidelines and individual risk registers for high profile projects. SSE also has a dedicated Communications and PR Team. SSE has agreements and contracts in place with our network of schools to ensure compliance on specific projects.</i> |
| Failure to raise and secure sufficient levels of longer term income. | <i>SSE closely monitors both long and short term sources of funding as part of the planning and budgeting process. In alignment with our strategy, SSE works to diversify our income base by developing products and courses to further meet our students' needs. There is a stewardship programme in place to support existing donors. SSE has a reserves policy, and defined delegated authorities for committing or approving expenditure.</i> |

Going concern

SSE ended the financial year on 31st March 2017 secure in the knowledge that 90% of funds required for planned activities in the year ahead had already been confirmed. Whilst acknowledging the challenging fundraising targets in future years, now reflected in the revised five-year strategic plan, the Trustees believe the Charity and the Group have sufficient resources to continue operations for the foreseeable future.

Structure, governance and management

Governance structure

SSE is governed by a Board of Trustees who guide policy and strategic decision-making. All of the Trustees are also Directors of the Charitable Company.

Day-to-day management of the organisation is delegated to the Chief Executive who is supported by the Senior Management Team (SMT). The SMT advises the Board on strategic and significant operational matters. All members of the SMT attend Board meetings.

Recruitment to the Board is designed to fill any gaps identified by existing Board members throughout the year, as well as being raised prior to the AGM through the skills audit. We seek to ensure that SSE fellows make up a significant proportion of Board membership.

New Trustees are provided with an induction into charity Trusteeship and the background to SSE's work, and all Trustees are offered training on an annual basis. SSE encourages Trustees to be actively involved across the organisation including in the selection and recruitment of students and building key external relationships.

Trustees are elected on a three-year term. There is no limit to the number of times Trustees may be re-elected.

SSE currently has two governance sub-groups, The Network Strategic Forum and the Finance, Audit and Risk Committee.

The Network Strategic Forum was created to reflect the voice of the network schools in all aspects of strategy. Forum participants were elected using a "college" system and the Forum has been involved in the development and signing off of network wide strategic objectives.

The Finance, Audit and Risk Committee meets four times a year to review financial performance, internal controls, risk and compliance, as well as provide a framework for accountability and monitor performance of external auditors. The FAR Committee is composed of Trustees, and a co-opted financial expert. The Committee has proved successful in providing an additional level of financial oversight, and in making strategic recommendations to the Board.

Trustees

| Trustee | First Elected | Biography |
|--|---------------|---|
| Charlotte Young (Chair until 4 April 2017)* | 6/3/2000 | Charlotte has a background in management education and development and worked for many years at the University of Westminster School of Management where she was made Dean. She was head of management development for a major international company and then a founder of YSC, the international corporate psychology practice. Charlotte was awarded the Queen's Award for Enterprise Promotion in April 2009. Charlotte stood down as Chair in April 2017 but remains on the Board. |
| Bert Leslie | 7/1/2002 | Bert retired from a career in petrochemical and power generation worldwide and became a student on the inaugural programme at the SSE in 1998. During his year at SSE he worked with long term unemployed in Newham, East London, using and developing training strategies that enabled them to gain sustainable employment. Bert is an SSE fellow. |
| Luljeta Nuzi* | 28/5/2004 | Luljeta is the founder of Shpresa Programme (Shpresa means hope), which has received several awards. These include the Queen's Award in 2006, Special Distinction in 2011 and 2015 for the supplementary school, and Communities of Health and Expert in Volunteering Award. She is a governor of the largest primary school in the UK, Gascoigne School, and a trustee of Barking and Dagenham Council for Volunteer Services. Luljeta is an SSE fellow. Luljeta has also won the Gold Award for London Youth. |
| Steve Johnson* | 7/9/2007 | Steve is chief executive of AdviceUK. He has worked in the private, public and charity sectors and has over 30 years' experience of charity, social enterprise and community activity at local and national levels. In addition to SSE, he is currently a trustee of several charities and companies including the Access to Justice Foundation, LawWorks, Southern Housing Group, and VCS Insurance Ltd. |
| John Brown | 8/1/2009 | John became managing director of Virgin Books in 1982. In 1987 he set up the magazine company John Brown Publishing. He is currently chairman of Wild Frontiers Ltd, Pippa Small Limited, Camara (UK) and The Watch House restaurant in Cornwall. He is a non-executive director of Punk Publishing and The Oldie. John is the Board's representative at the Network Strategic Forum. |
| Richard Collier-Keyword (Chair from 4 April 2017) | 21/2/2011 | Richard has recently retired from his role as PwC Global Vice-Chairman and currently holds a number of roles including Chairman of Humentum, a US NGO focused on promoting operational excellence in NGOs; Chairman of New Forest Care a company caring for behaviourally challenged children; Managing Partner of Nala Ventures and Investments LLP and is a special advisor to DCMS. |

| | | |
|-------------------------|------------------------|---|
| Gurnek Bains | 14/9/2011 | Gurnek is the co-founder and chair of YSC, chair of the Akram Khan Dance Company and a trustee for New Economics Foundation (NEF). He is a psychologist by background, having obtained a Degree in Social Psychology from the University of Sussex and a Doctorate from Oxford University. Gurnek is also a published author. |
| Naomi Mwasambili | 15/12/2015 | Naomi is the co-founder and CEO of Chanua Health, a Healthcare Innovation Agency specialising in preventative healthcare products and services. Their first digital health product is an online wellbeing booking website called MyGuvu.com. In 2012 she founded Community Therapies and Training Service (CTTS): a social enterprise, training community and workplace champion focussed on preventing and reducing the impact of mental ill health, specifically on Black, Asian and migrant communities. A fellow of School for Social Entrepreneurs she is passionate about all things social business. |
| Mike Phillips* | 15/09/2016 | Mike is a fellow of the Institute of Chartered Accountants and former senior audit partner at PwC. Since 2011 Mike has focused on working with business start-ups in a variety of sectors, in either a mentoring or advisory capacity. Mike has been an SSE mentor since 2011 and continues to work with several SSE fellows. |
| Rachel Milne | 03/05/2017 | Rachel Milne is general manager of Buchan Dial-a-Community Bus (DACB) and DAB Plus c.i.c. DACB is a thriving Community Charity providing affordable, accessible transport in the Aberdeen City and Shire. Rachel is the current chair of the Community Transport Association's Scottish Committee and a trustee of CTA UK. |
| Joel Davis | 03/05/2017 | Joel Davis is an award-winning social entrepreneur and the founder of Tutors United: a social enterprise that employs university students and provides affordable private tutoring to primary school pupils from low-income and migrant backgrounds. Joel has also been a key advisor in helping UK wide funders develop their offer to engage and support young people in social entrepreneurship. |
| Jill Halford* | Co-opted 25/08/2015 | Jill is a member of the Institute of Chartered Accountants in England and Wales and a director in the PwC Charities Group. She specialises in charity audit and advisory work, working with some of the UK's top charities. Jill is the treasurer of ACEVO and Seacology. Jill is a co-opted member of the SSE Finance, Audit and Risk Committee. She is not a director of SSE and does not attend full Board meetings. |

*Members of the Finance, Audit and Risk Committee.

Management Team

The Board delegate day-to-day management of SSE to the members of the SSE Senior Management Team. During the year the Senior Management Team comprised:

| Name | Position |
|------------------------|---------------------------|
| Alastair Wilson | Chief Executive |
| Philippa Frankl | Director of Network |
| Nicola Steuer | Director of London School |

Reference and Administrative details

Legal Structure

School for Social Entrepreneurs was incorporated as a company on the 22nd of December 1999, dispensation has been granted to omit the word 'limited'. Formal charity registration took place on the 9th of March 2001.

The membership of the charitable company comprises the eleven Trustees all of whom are also Directors of the Company. The liability of members is limited by guarantee not exceeding £1 each.

Registered Office and Principal Address: 2nd Floor, The Fire Station, 133-139 Tooley Street, London, SE1 2HZ.

Objects of the charity

The promotion of education and training for the public benefit throughout the world in accordance with the law of charity of England and Wales for the time being without discrimination as to age, sex, race, religion or opinion and in particular (but without limitation) by educating and training in the skills, methods and techniques required for the establishment and management of charitable, philanthropic and benevolent institutions and projects.

The promotion of industry and commerce for the public benefit in particular (but without limitation) by promoting and supporting the development of social enterprises and social businesses throughout the world.

The relief of unemployment for the public benefit in particular (but without limitation) by promoting opportunities for employment within social enterprises and social businesses throughout the world.

In this clause the phrase "social enterprise" shall mean a body which a person might reasonably consider acts for the benefit of the community.

Key Advisors

| Auditors: | Solicitors: | Bankers: | Fund Managers: |
|---|---|---|--|
| Sayer Vincent LLP Invicta House 108-114 Golden Lane London EC1Y 0TL | Bates Wells Brathwaite 10 Queen Street Place London EC4R 1BE | Unity Trust Bank plc Nine Brindley Place Birmingham B1 2HB | CCLA Senator House 85 Queen Victoria Street London EC4V 4ET |

Statement of responsibilities of the trustees

The trustees (who are also directors of School for Social Entrepreneurs for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company or group for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

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

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2017 was 11 (2016: 9). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Public Benefit

The Trustees have referred to the public benefit requirement and sought to outline throughout the aforementioned sections of the annual report:

- details of the charity's purposes and objectives
- the significant activities undertaken by the charity to carry out its charitable purposes for the public benefit, and who has benefited
- details of the achievements of the charity in relation to the purposes and objectives set
- plans for how our future activities will achieve public benefit

The Trustees confirm that they have referred to the Charity Commission's guidance on Public Benefit and that they have had due regard to the commission's guidance when exercising any powers or duties to which the guidance is relevant.

Sayer Vincent LLP were re-appointed as the charitable company's auditors during the year and have expressed their willingness to continue in that capacity.

The trustees' annual report has been approved by the trustees on date and signed on their behalf by

Richard Collier-Keywood

Chair

Independent Auditor's Report

Independent auditor's report to the members of School for Social Entrepreneurs

Opinion

We have audited the financial statements of School for Social Entrepreneurs (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2017 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2017 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent 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
- The trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Joanna Pittman (Senior statutory auditor)

14 December 2017

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

Consolidated statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2017

| | | 2017 | | | 2016 | | |
|--|------|------------------|------------------|------------------|------------------|------------------|--------------------|
| | | Unrestricted | Restricted | Total | Unrestricted | Restricted | As restated* Total |
| | Note | £ | £ | £ | £ | £ | £ |
| Income from: | | | | | | | |
| Donations and legacies | 2 | 179,632 | - | 179,632 | 168,541 | - | 168,541 |
| Charitable activities | 3 | 429,793 | 3,251,438 | 3,681,231 | 414,185 | 3,294,998 | 3,709,183 |
| Other trading activities | 4 | | | | | | |
| Commercial trading operations | | 45,338 | - | 45,338 | 46,328 | - | 46,328 |
| Investments | | 10,222 | - | 10,222 | 11,711 | - | 11,711 |
| Total income | | 664,985 | 3,251,438 | 3,916,423 | 640,765 | 3,294,998 | 3,935,763 |
| Expenditure on: | | | | | | | |
| Raising funds | 5 | | | | | | |
| Fundraising | | 27,751 | - | 27,751 | 23,020 | - | 23,020 |
| Commercial trading operations | | 8,070 | - | 8,070 | 24,372 | - | 24,372 |
| Charitable activities | | | | | | | |
| Doing Learning Differently | 5 | 162,146 | 782,911 | 945,057 | 243,259 | 563,320 | 806,579 |
| Building a Vibrant Schools Network | 5 | 399,655 | 629,809 | 1,029,464 | 247,559 | 886,251 | 1,133,810 |
| Mobilising Enterprising People | 5 | - | 1,990,531 | 1,990,531 | - | 2,129,011 | 2,129,011 |
| Total expenditure | | 597,622 | 3,403,251 | 4,000,873 | 538,210 | 3,578,583 | 4,116,793 |
| Net income / (expenditure) for the year | 7 | 67,363 | (151,813) | (84,450) | 102,555 | (283,585) | (181,030) |
| Transfers between funds | | - | - | - | (17,000) | 17,000 | - |
| Net movement in funds | | 67,363 | (151,813) | (84,450) | 85,555 | (266,585) | (181,030) |
| Reconciliation of funds: | | | | | | | |
| Total funds brought forward | | 1,080,017 | 521,720 | 1,601,737 | 994,462 | 788,305 | 1,782,767 |
| Total funds carried forward | | 1,147,380 | 369,907 | 1,517,287 | 1,080,017 | 521,720 | 1,601,737 |

*Prior year expenditure has been restated to allocate expenditure across the charity's activities. This has not impacted on the net result for the prior year.

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 18 to the financial statements.

Balance Sheets

As at 31 March 2017

| | Note | Consolidated | | Charity | |
|--|------|------------------|-----------|------------------|-----------|
| | | 2017 £ | 2016 £ | 2017 £ | 2016 £ |
| Fixed assets: | | | | | |
| Tangible assets | 12 | 6,845 | 7,643 | 6,845 | 7,643 |
| Investments | 13 | 876,954 | 853,305 | 876,954 | 853,305 |
| | | 883,799 | 860,948 | 883,799 | 860,948 |
| Current assets: | | | | | |
| Debtors | 14 | 236,845 | 498,392 | 280,111 | 543,963 |
| Cash at bank and in hand | 15 | 1,159,618 | 1,170,940 | 1,116,352 | 1,125,369 |
| | | 1,396,463 | 1,669,332 | 1,396,463 | 1,669,332 |
| Liabilities: | | | | | |
| Creditors: amounts falling due within one year | 16 | 762,975 | 928,543 | 762,975 | 928,543 |
| Net current assets | | 633,488 | 740,789 | 633,488 | 740,789 |
| Total net assets | | 1,517,287 | 1,601,737 | 1,517,287 | 1,601,737 |
| The funds of the charity: | 18 | | | | |
| Restricted income funds | | 369,907 | 521,720 | 369,907 | 521,720 |
| Unrestricted income funds: | | | | | |
| General funds | | 1,147,380 | 1,080,017 | 1,147,380 | 1,080,017 |
| Total unrestricted funds | | 1,147,380 | 1,080,017 | 1,147,380 | 1,080,017 |
| Total charity funds | | 1,517,287 | 1,601,737 | 1,517,287 | 1,601,737 |

Approved by the trustees on 14 December 2017 and signed on their behalf by

Richard Collier-Keywood
Chair

Consolidated statement of cash flows

For the year ended 31 March 2017

| | Note | 2017 £ | 2016 £ |
|--|------|-----------|-----------|
| Cash flows from operating activities | 21 | | |
| Net cash provided by / (used in) operating activities | | 5,040 | 380,344 |
| Cash flows from investing activities: | | | |
| Dividends, interest and rents from investments | | 10,222 | 11,711 |
| Purchase of fixed assets | | (2,935) | (8,961) |
| (Increase) in deposit funds | | (23,649) | (4,802) |
| Net cash (used in) investing activities | | (16,362) | (2,052) |
| Change in cash and cash equivalents in the year | | (27,684) | 376,240 |
| Cash and cash equivalents at the beginning of the year | | 1,170,940 | 792,648 |
| Cash and cash equivalents at the end of the year | | 1,143,256 | 1,170,940 |

Notes to the financial statements

For the year ended 31 March 2017

1. Accounting policies

a) Statutory information

The School for Social Entrepreneurs is a charitable company limited by guarantee and is incorporated in England and Wales.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (September 2015) and the Companies Act 2006.

These financial statements consolidate the results of the charitable company and its subsidiary, SSE Social Enterprise, on a line by line basis. Transactions and balances between the charitable company and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two companies are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

The estimated value of annual leave owed at 31 March 2017 was deemed immaterial and no accrual has been made in the accounts.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

Notes to the financial statements

For the year ended 31 March 2017

1. Accounting policies (continued)

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

g) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

h) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

Notes to the financial statements

For the year ended 31 March 2017

1. Accounting policies (continued)

i) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising or trading purpose.
- Expenditure on charitable activities includes the costs of delivering services and other educational activities undertaken to further the purposes of the charity and their associated support costs.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

j) Grant commitments

Grants are made to third parties in furtherance of the charity's objects. Grant awards are considered payable when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

k) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time of the amount attributable to each activity.

| | |
|------------------------------------|-----|
| Doing Learning Differently | 38% |
| Building a Vibrant Schools Network | 18% |
| Mobilising Enterprising People | 14% |
| Fundraising | 2% |
| Commercial Trading Operation | 1% |
| Support costs | 23% |
| Governance costs | 4% |

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on staff time, of the amount attributable to each activity.

| | |
|------------------------------------|-----|
| Doing Learning Differently | 54% |
| Building a Vibrant Schools Network | 24% |
| Mobilising Enterprising People | 19% |
| Fundraising | 2% |
| Commercial Trading Operations | 1% |

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

Notes to the financial statements

For the year ended 31 March 2017

1. Accounting policies (continued)

l) Operating leases

Lease rental charges are charged on a straight line basis over the term of the lease.

m) Tangible Fixed Assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- Computer equipment - 4 years

n) Investments

Investments in subsidiaries are at cost. Fixed asset investments comprise bank accounts held for the purpose of long-term investment.

o) Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any trade discounts due.

p) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

q) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

r) Financial instruments

The charity only 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Notes to the financial statements

For the year ended 31 March 2017

1. Accounting policies (continued)

s) Pensions

Contributions payable to employees' private pension plans are charged to the Statement of Financial Activities in the period to which they relate.

t) Critical accounting judgements and sources of estimation uncertainty

Significant estimates and judgements

Key judgements that the charitable company has made which have a significant effect on the accounts include estimating the liability from multi-year grant commitments.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Notes to the financial statements

For the year ended 31 March 2017

2. Income from donations and legacies

| | Unrestricted £ | Restricted £ | 2017 total Total £ | 2016 Total £ |
|----------------------------------|-------------------|-----------------|--------------------------|--------------------|
| Supporter donations and gift aid | 18,123 | - | 18,123 | 45,618 |
| Pro-bono services | 161,509 | - | 161,509 | 122,923 |
| | 179,632 | - | 179,632 | 168,541 |

SSE receives a range of services on a pro-bono basis from supporters.

| | 2017 total Total £ | 2016 Total £ |
|--|--------------------------|--------------------|
| Analysis of pro-bono services: | | |
| Advice on accounting matters | 150 | 750 |
| Legal services | 51,507 | 7,140 |
| Recruitment support for senior staff positions | - | 4,000 |
| Subsidy on premises rental | 75,000 | 75,000 |
| Support in delivery of SSE programmes and events | 34,852 | 36,033 |
| | 161,509 | 122,923 |

Notes to the financial statements

For the year ended 31 March 2017

3. Income from charitable activities

| | Unrestricted | Restricted | 2017 Total | 2016 Total |
|---|----------------|------------------|------------------|------------------|
| | £ | £ | £ | £ |
| ARM Foundation | - | 10,000 | 10,000 | 10,000 |
| Barry Marshall | - | 10,000 | 10,000 | 10,000 |
| Big Lottery Fund | - | 1,571,220 | 1,571,220 | 1,602,640 |
| CHK Charities | - | 8,000 | 8,000 | 8,000 |
| Circle 33 Housing | - | - | - | 6,500 |
| Constantine, Mark and Margaret | - | - | - | 16,600 |
| Emmaus UK | - | - | - | 33,865 |
| Esmée Fairbairn Foundation | - | - | - | 5,000 |
| Freightliners Farm | - | 3,570 | 3,570 | - |
| Gordon Family Trust | - | - | - | 10,000 |
| International Centre for Social Franchising | - | - | - | 15,000 |
| Linklaters | 60,000 | - | 60,000 | 55,000 |
| Lloyds Bank Foundation | - | 127,000 | 127,000 | 127,000 |
| Lloyds Bank Plc | - | 1,199,515 | 1,199,515 | 1,258,486 |
| The Mercers' Company | - | 30,370 | 30,370 | 30,377 |
| Power to Change | - | 121,312 | 121,312 | 20,530 |
| PricewaterhouseCoopers LLP | - | 158,960 | 158,960 | 73,500 |
| Royal Sun Alliance | 110,000 | 5,000 | 115,000 | 102,500 |
| Southwark Council | - | 6,491 | 6,491 | - |
| SVG Capital | - | - | - | 65,000 |
| Membership Fees | 158,221 | - | 158,221 | 164,136 |
| Training and Consultancy Fees | 101,572 | - | 101,572 | 95,049 |
| Total for charitable activities | 429,793 | 3,251,438 | 3,681,231 | 3,709,183 |

4. Income from other trading activities

| | Unrestricted | Restricted | 2017 Total | 2016 Total |
|------------------|---------------|------------|---------------|---------------|
| | £ | £ | £ | £ |
| Sponsorship Fees | 40,000 | - | 40,000 | 40,000 |
| Room Rentals | 5,338 | - | 5,338 | 6,328 |
| | 45,338 | - | 45,338 | 46,328 |

Notes to the financial statements

For the year ended 31 March 2017

5. Analysis of expenditure

| | Raising Funds | | Charitable activities | | | | | | |
|-------------------------------|---------------|-------------------------------|----------------------------|------------------------------------|--------------------------------|------------|---------------|------------------|------------------|
| | Fundraising | Commercial Trading Operations | Doing Learning Differently | Building a Vibrant Schools Network | Mobilising Enterprising People | Governance | Support Costs | 2017 Total | 2016 Total |
| | £ | £ | £ | £ | £ | £ | £ | £ | £ |
| Staff costs (Note 8) | 14,416 | 4,164 | 369,576 | 169,025 | 132,989 | 33,080 | 219,090 | 942,340 | 903,157 |
| Grant Payments | - | - | - | 647,061 | 1,625,111 | - | - | 2,272,172 | 2,355,302 |
| Direct costs | - | - | 233,612 | 57,025 | 109,412 | 16,046 | - | 416,095 | 512,901 |
| Depreciation | - | - | - | - | - | - | 3,326 | 3,326 | 2,999 |
| Freelance Support | - | - | - | - | - | - | 48,669 | 48,669 | 38,935 |
| Human Resources | - | - | - | - | - | - | 16,645 | 16,645 | 20,735 |
| IT | - | - | - | - | - | - | 12,634 | 12,634 | 17,507 |
| Legal and Professional | - | 54 | - | - | - | - | 61,578 | 61,632 | 8,844 |
| Office Running Costs | - | - | - | - | - | - | 61,304 | 61,304 | 52,153 |
| Premises | - | - | - | - | - | - | 110,179 | 110,179 | 107,998 |
| Other | - | - | - | - | - | - | 55,877 | 55,877 | 96,262 |
| | 14,416 | 4,218 | 603,188 | 873,111 | 1,867,512 | 49,126 | 589,302 | 4,000,873 | 4,116,793 |
| Support costs | 12,309 | 3,555 | 315,563 | 144,322 | 113,553 | - | (589,302) | - | - |
| Governance costs | 1,026 | 296 | 26,306 | 12,031 | 9,466 | (49,126) | - | - | - |
| Total expenditure 2017 | 27,751 | 8,070 | 945,057 | 1,029,464 | 1,990,531 | - | - | 4,000,873 | 4,116,793 |
| Total expenditure 2016 | 23,020 | 24,372 | 806,579 | 1,133,810 | 2,129,011 | - | - | 4,116,793 | |

Of the total expenditure, £597,622 was unrestricted (2016: £538,210) and £3,403,251 was restricted (2016: £3,578,583).

Notes to the financial statements

For the year ended March 2017

6. Grant making

| | Grants to institutions | Grants to individuals | Staff and other direct costs | Support and governance costs | 2017 | 2016 |
|---------------------------------------|---------------------------|--------------------------|------------------------------------|---------------------------------------|------------------|-----------|
| | £ | £ | £ | £ | £ | £ |
| Building a Vibrant Schools Network | 647,061 | | 238,683 | 156,353 | 1,029,464 | 1,133,810 |
| Mobilising Enterprising People | | 1,625,111 | 242,401 | 123,019 | 1,990,531 | 2,129,011 |
| At the end of the year | 647,061 | 1,625,111 | 468,451 | 279,372 | 3,019,995 | 3,262,822 |

Grants were made to individual entrepreneurs accepted onto an SSE programme. Grants to institutions comprised funds directed to members of the SSE Global Schools Network and were used to deliver support and training to SSE entrepreneurs across our programmes.

| Institution | Number of Grants | Value of Grants |
|--------------------------|---------------------|--------------------|
| SSE Cornwall | 2 | 42,546 |
| SSE Dartington | 3 | 91,093 |
| SSE East | 3 | 48,546 |
| SSE Hampshire | 2 | 42,547 |
| SSE India | 1 | 46,451 |
| SSE Midlands | 3 | 91,093 |
| SSE North West | 4 | 93,093 |
| SSE Scotland | 3 | 52,546 |
| SSE Yorkshire and Humber | 5 | 139,146 |
| | 26 | £647,061 |

7. Net (expenditure) for the year

This is stated after charging / (crediting):

| | 2017 | 2016 |
|--|---------------|-------|
| | £ | £ |
| Depreciation | 3,326 | 2,999 |
| Loss or profit on disposal of fixed assets | (407) | (150) |
| Auditors' remuneration (excluding VAT): | | |
| Audit | 10,500 | 4,554 |
| Other services | - | 1,380 |

Notes to the financial statements

For the year ended 31 March 2017

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

Staff costs were as follows:

| | 2017 | 2016 |
|---|----------------|----------------|
| | £ | £ |
| Salaries and wages | 832,409 | 791,503 |
| Social security costs | 68,428 | 72,674 |
| Employer's contribution to defined contribution pension schemes | 41,503 | 38,980 |
| | 942,340 | 903,157 |

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

| | 2017 | 2016 |
|-------------------|----------|----------|
| | No. | No. |
| £80,000 - £89,999 | 1 | 1 |

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £230,521 (2016: £216,056).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2016: £nil). No charity trustee received payment for professional or other services supplied to the charity (2016: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £3,446 (2016: £4,704) incurred by 9 (2016: 11) members relating to attendance at meetings of the trustees.

9. Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 26 (2016: 24). Full time equivalent (FTE) staff amounted to 22.1 (2016: 20.9).

| | 2017 | 2016 |
|--|-------------|-------------|
| | FTE | FTE |
| Doing Learning Differently | 9.4 | 7.5 |
| Building a network of sustainable schools | 4.2 | 5.0 |
| Mobilising the experience of enterprising people | 3.4 | 3.3 |
| Support | 4.3 | 4.3 |
| Governance | 0.5 | 0.4 |
| Fundraising | 0.2 | 0.2 |
| Commercial Trading Operations | 0.1 | 0.2 |
| | 22.1 | 20.9 |

Notes to the financial statements

For the year ended 31 March 2017

10. Related party transactions

Richard Collier-Keywood, a trustee at School for Social Entrepreneurs, was also Vice Chairman of the PwC Network. During the year SSE received donations of £158,960 (2016: £73,500) from PwC as well as pro bono support valued at £150 (2016: £1,230) for accounting advice. In addition PwC hosted a programme graduation event valued at £2,500 (2016: £0). SSE paid £18,603 (2016: £22,020) to PwC for rent and service charges as per a written rental agreement, which also included a £75,000 (2016: £75,000) subsidy which has been included under pro bono support.

Gurnek Bains, a trustee of SSE, is also the Chairman of YSC. YSC provided a leadership programme, speakers for events and support with staff recruitment on a pro bono basis valued at £9,340 in 2016 (2017: nil).

Charlotte Young, the chair of trustees throughout the year donated £10,000 (2016: £10,000) to School for Social Entrepreneurs.

Alastair Wilson, the CEO of School for Social Entrepreneurs is also a trustee at Tonic Housing. During the year SSE received £4,920 from Tonic Housing in respect of consultancy fees (2016: £4,920).

Aggregate donations from Related Parties in the year amounted to £10,000 (2016: £10,000).

11. Taxation

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

12. Tangible fixed assets for group and charity

| | Computer equipment £ | Total £ |
|-------------------------------|-------------------------|----------------|
| Cost | | |
| At the start of the year | 13,872 | 13,872 |
| Additions in year | 2,935 | 2,935 |
| Disposals in year | (2,715) | (2,715) |
| | | |
| At the end of the year | 14,092 | 14,092 |
| Depreciation | | |
| At the start of the year | 6,229 | 6,229 |
| Charge for the year | 3,326 | 3,326 |
| Eliminated on disposal | (2,308) | (2,308) |
| | | |
| At the end of the year | 7,247 | 7,247 |
| Net book value | | |
| At the end of the year | 6,845 | 6,845 |
| At the start of the year | 7,643 | 7,643 |

All of the above assets are used for charitable purposes.

Notes to the financial statements

For the year ended 31 March 2017

13. Investments

Charity and group

| | 2017 £ | 2016 £ |
|----------------------------------|-----------|-----------|
| At the start of the year | 853,305 | 848,503 |
| Additions at cost | 100,000 | - |
| Disposals at book/carrying value | (80,783) | - |
| Interest retained in the year | 4,432 | 4,802 |
| Total investments | 876,954 | 853,305 |

All investments are held in UK bank accounts and interest received from these accounts is included in the statement of financial activities.

14. Debtors and prepayments

| | Consolidated | | Charity | |
|---|--------------|-----------|-----------|-----------|
| | 2017 £ | 2016 £ | 2017 £ | 2016 £ |
| Accrued income in respect of grant commitments made | 106,630 | 386,000 | 106,630 | 386,000 |
| Other accrued income | 53,690 | 246 | 53,690 | 246 |
| Prepayments | 53,594 | 16,213 | 53,594 | 16,213 |
| Other debtors | 20,781 | 93,783 | 18,754 | 93,004 |
| Amounts owed by subsidiary | - | - | 45,293 | 46,350 |
| Long term loans to Network Schools | 2,150 | 2,150 | 2,150 | 2,150 |
| | 236,845 | 498,392 | 280,111 | 543,963 |

15. Cash at bank and on hand

| | Consolidated | | Charity | |
|--|--------------|-----------|-----------|-----------|
| | 2017 £ | 2016 £ | 2017 £ | 2016 £ |
| Main current account | 757,374 | 539,298 | 714,108 | 493,727 |
| Business high interest deposit account | 402,044 | 631,442 | 402,044 | 631,442 |
| Cash | 200 | 200 | 200 | 200 |
| | 1,159,618 | 1,170,940 | 1,116,352 | 1,125,369 |

Notes to the financial statements

For the year ended 31 March 2017

16. Creditors: amounts falling due within one year

| | Consolidated | | Charity | |
|----------------------------------|----------------|----------------|----------------|----------------|
| | 2017 | 2016 | 2017 | 2016 |
| | £ | £ | £ | £ |
| Suppliers | 80,852 | 48,767 | 80,852 | 48,767 |
| Accruals | 25,365 | 14,629 | 25,365 | 14,629 |
| Tax and social security | 6,602 | 4,881 | 6,602 | 4,881 |
| Grants and fees in advance | 34,173 | 62,424 | 34,173 | 62,424 |
| Grant commitments to individuals | 615,983 | 797,842 | 615,983 | 797,842 |
| | 762,975 | 928,543 | 762,975 | 928,543 |

17a. Group analysis of net assets between funds (current year)

| | General unrestricted | Restricted | Total funds |
|------------------------------------|-------------------------|----------------|------------------|
| | £ | £ | £ |
| Tangible fixed assets | 6,845 | - | 6,845 |
| Investments | 876,954 | - | 876,954 |
| Net current assets | 263,581 | 369,907 | 633,488 |
| Net assets at 31 March 2017 | 1,147,380 | 369,907 | 1,517,287 |

17b. Group analysis of net assets between funds (prior year)

| | General unrestricted | Restricted | Total funds |
|------------------------------------|-------------------------|----------------|------------------|
| | £ | £ | £ |
| Tangible fixed assets | 7,643 | - | 7,643 |
| Investments | 853,305 | - | 853,305 |
| Net current assets | 219,069 | 521,720 | 740,789 |
| Net assets at 31 March 2016 | 1,080,017 | 521,720 | 1,601,737 |

Notes to the financial statements

For the year ended 31 March 2017

18a. Movements in funds (current year)

| | At 1 April 2016 £ | Income & gains £ | Expenditure & losses £ | Transfers £ | At 31 March 2017 £ |
|--|-------------------------|------------------------|------------------------------|----------------|--------------------------|
| a) Restricted funds: | | | | | |
| ARM Foundation | - | 10,000 | (10,000) | - | - |
| Big Lottery Fund | - | 25,220 | (25,220) | - | - |
| Constantine, Mark and Margaret | 8,125 | - | (8,125) | - | - |
| Freightliners Farm | - | 3,570 | (3,570) | - | - |
| Lloyds Bank Foundation | - | 127,000 | (127,000) | - | - |
| Lloyds Bank Plc: Frontline II | 12,544 | - | (12,544) | - | - |
| Lloyds Bank Plc: Media training | 6,761 | 4,990 | (11,751) | - | - |
| Lloyds Bank Plc: Social Entrepreneurs Programme | 322,476 | 537,519 | (691,796) | - | 168,199 |
| Lloyds Bank Plc: Trade Up Programme | 56,712 | - | (53,147) | - | 3,565 |
| Lloyds Bank Plc: Additional marketing | 836 | 30,449 | (31,285) | - | - |
| The Mercers' Company | 2,943 | 30,370 | (29,010) | - | 4,303 |
| Power to Change: Grantee Support Programme | - | 44,697 | (25,694) | - | 19,003 |
| Power to Change: Community Business Trade Up | - | 51,562 | (44,269) | - | 7,293 |
| PricewaterhouseCoopers (SSE India) | - | 23,688 | (3,418) | - | 20,270 |
| PricewaterhouseCoopers LLP | - | 40,000 | (40,000) | - | - |
| Royal Sun Alliance | - | 5,000 | (5,000) | - | - |
| Southwark Council | - | 6,491 | (6,491) | - | - |
| SVG Capital | 9,759 | - | (9,759) | - | - |
| Miscellaneous Bursaries | 16,000 | 18,000 | (18,000) | - | 16,000 |
| b) Grants: on behalf of SSE Students | | | | | |
| Big Lottery Fund | 23,619 | 1,546,000 | (1,509,111) | - | 60,508 |
| Constantine, Mark and Margaret | 8,000 | - | - | - | 8,000 |
| Lloyds Bank Plc: Frontline II | 9,000 | - | - | - | 9,000 |
| Lloyds Bank Plc: Social Entrepreneurs Programme | - | 116,000 | (116,000) | - | - |
| c) Grants: on behalf of SSE Network Schools | | | | | |
| Lloyds Bank Plc: Media Training | - | 20,561 | (20,561) | - | - |
| Lloyds Bank Plc: Grants to Schools | - | 489,996 | (489,996) | - | - |
| Power to Change: Grantee Support Programme | - | 23,053 | (23,053) | - | - |
| Power to Change: Community Business Trade Up | - | 2,000 | (2,000) | - | - |
| PricewaterhouseCoopers LLP | 44,945 | 95,272 | (86,451) | - | 53,766 |
| Total restricted funds | 521,720 | 3,251,438 | (3,403,251) | - | 369,907 |
| Unrestricted funds: | | | | | |
| General reserves | 1,080,017 | 664,985 | (597,622) | - | 1,147,380 |
| Total unrestricted funds | 1,080,017 | 664,985 | (597,622) | - | 1,147,380 |
| Total funds | 1,601,737 | 3,916,423 | (4,000,873) | - | 1,517,287 |

The narrative to explain the purpose of each fund is given at the foot of the note below.

Notes to the financial statements

For the year ended 31 March 2017

18b. Movements in funds (prior year)

| | At 1 April 2015 | Income & gains | Expenditure & losses | Transfers | At 31 March 2016 |
|--|--------------------|-------------------|-------------------------|-----------|---------------------|
| | £ | £ | £ | £ | £ |
| a) Restricted funds: | | | | | |
| ARM Foundation | - | 10,000 | (10,000) | - | - |
| Big Lottery Fund | - | 33,640 | (33,640) | - | - |
| Cabinet Office | 42,721 | - | (42,721) | - | - |
| Circle 33 Housing | - | 6,500 | (6,500) | - | - |
| Constantine, Mark and Margaret | 59,333 | (8,400) | (42,808) | - | 8,125 |
| Emmaus UK | - | 33,865 | (33,865) | - | - |
| Esmée Fairbairn Foundation | - | 5,000 | (7,000) | 2,000 | - |
| The Fidelity UK Foundation | 540 | - | (540) | - | - |
| International Centre for Social Franchising | - | 15,000 | (15,000) | - | - |
| Lloyds Bank Foundation | - | 127,000 | (127,000) | - | - |
| Lloyds Bank Plc: Frontline II | 14,444 | - | (1,900) | - | 12,544 |
| Lloyds Bank Plc: Media training | 2,348 | 4,990 | (577) | - | 6,761 |
| Lloyds Bank Plc: Social Entrepreneurs Programme | 351,998 | 537,979 | (567,501) | - | 322,476 |
| Lloyds Bank Plc: Trade Up Programme | - | 80,000 | (23,288) | - | 56,712 |
| Lloyds Bank Plc: Additional marketing | 816 | 15,960 | (15,940) | - | 836 |
| The Mercers' Company | - | 30,377 | (27,434) | - | 2,943 |
| Power to Change | - | 20,530 | (20,530) | - | - |
| PricewaterhouseCoopers LLP | 62,757 | - | (20,800) | (41,957) | - |
| Royal Sun Alliance | - | 2,500 | (2,500) | - | - |
| SVG Capital | 4,326 | 35,000 | (44,567) | 15,000 | 9,759 |
| Miscellaneous Bursaries | 138,670 | 81,500 | (204,170) | - | 16,000 |
| b) Grants: on behalf of SSE Students | | | | | |
| Big Lottery Fund | 62,215 | 1,569,000 | (1,607,596) | - | 23,619 |
| Constantine, Mark and Margaret | - | 25,000 | (17,000) | - | 8,000 |
| Lloyds Bank Plc: Frontline II | 9,000 | - | - | - | 9,000 |
| Lloyds Bank Plc: Social Entrepreneurs Programme | - | 109,000 | (109,000) | - | - |
| c) Grants: on behalf of SSE Network Schools | | | | | |
| Gordon Family Trust | - | 10,000 | (10,000) | - | - |
| Lloyds Bank Plc: Media Training | - | 20,561 | (20,561) | - | - |
| Lloyds Bank Plc: Grants to Schools | - | 489,996 | (489,996) | - | - |
| PricewaterhouseCoopers LLP | 39,137 | 40,000 | (76,149) | 41,957 | 44,945 |
| Total restricted funds | 788,305 | 3,294,998 | (3,578,583) | 17,000 | 521,720 |
| Unrestricted funds: | | | | | |
| General reserves | 994,462 | 640,765 | (538,210) | (17,000) | 1,080,017 |
| Total unrestricted funds | 994,462 | 640,765 | (538,210) | (17,000) | 1,080,017 |
| Total funds | 1,782,767 | 3,935,763 | (4,116,793) | - | 1,601,737 |

Notes to the financial statements

For the year ended 31 March 2017

18c. Purposes of restricted funds

a) Grants: SSE Charitable activities

The ARM Foundation provided £10,000 to support a student on our one-year Fellowship Programme.

Big Lottery Fund provided funds to cover the costs of SSE managing grant distribution to students as part of the Lloyds Banking Group Social Entrepreneurs Programme (see below).

Mark and Margaret Constantine funded the Frontline programme to help young people trying to put gang life behind them by setting up and growing a social enterprise.

Freightliners Farm has funded tailored workshops focusing on business planning and trading for sustainability.

Lloyds Bank Foundation contributed £127,000 towards the Funder Plus programme of grantee support.

Lloyds Bank plc provided a grant of £103,400 in 2014 as part of the Frontline II programme to help young people trying to put gang life behind them by setting up and growing a social enterprise. At the year end, the carried forward sum of £12,544 had been fully spent.

Lloyds Bank plc provided funds to cover the cost of media training for students in the Lloyds Banking Group Social Entrepreneurs Programme.

Lloyds Bank plc provided funds to cover the costs of SSE managing grant distribution to students as part of the Lloyds Banking Group Social Entrepreneurs Programme.

Lloyds Bank plc provided funding for our pilot Trade Up programme aimed at promoting the commercial viability of social enterprises.

Lloyds Bank plc provided additional funds in the year towards marketing the Social Entrepreneurs Programme and widening the net for recruitment of participants.

Mercers provided funding towards year 2 of a 3-year programme enabling leaders to sustainably develop and lead their organisations using group and peer learning techniques.

Power to Change - Grantee Support Programme: Power to Change has funded support for its grantees, all community businesses, to receive training and support from SSE in the form of a series of workshops and networking opportunities.

Power to Change - Community Business Trade Up: SSE is working with Power to Change to deliver grants and training to encourage new community businesses to start and enable existing community businesses to grow and become self-sustaining. The programme is designed to support businesses which will promote positive change in communities to address charitable needs.

PricewaterhouseCoopers LLP provided funding for continuing support and development of the School for Social Entrepreneurs in India. The school was launched in February 2016.

PricewaterhouseCoopers LLP provided funding for training, support and mentoring of students on the SSE Fellowship Programme.

Royal Sun Alliance contributed £5,000 towards production of a short film for SSE Fellowship programme.

Southwark Council SEEDS programme provided funding to help a young Southwark resident to enter work.

SVG Capital: The remainder of a grant from SVG Capital towards supporting our student learning programme was fully spent in the year.

Notes to the financial statements

For the year ended 31 March 2017

18c. Purposes of restricted funds (continued)

b) Grants: on behalf of SSE Students

Grants received and paid payments in respect of student enterprises were:

- executed under agreements with Lloyds Banking Group and Big Lottery Fund provided for the purposes of providing start up and scale up grants to support the enterprises of students on the Lloyds Banking Group Social Entrepreneurs Programme.
- awarded through the Frontline programme funded by Mark and Margaret Constantine and aimed at helping young people trying to put gang life behind them.

c) Grants: on behalf of SSE Network Schools

Grants payable to Network Schools comprised:

- funds from Lloyds which are paid to support operations in SSE schools in England and Wales. In 2016/17 this included £20,561 towards media training workshops for students.
- grants made to members of the charity's regional network of schools to on the basis of funding agreements with Power to Change.
- grants made to members of the charity's regional network of schools to on the basis of funding agreements with PricewaterhouseCoopers LLP. At the year end SSE was holding £53,766 for distribution to SSE India in 2017/18.

19. Trading subsidiary

The charitable company is the sole member of SSE Enterprises Limited, a company registered in England. The subsidiary is used for non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are gift aided to the charitable company. One Trustee, Bert Leslie, and members of the SSE senior management team, are also directors of the subsidiary. A summary of the results of the subsidiary is shown below:

| | 2017 | 2016 |
|---|-----------------|----------|
| | £ | £ |
| Turnover | 45,347 | 46,350 |
| Cost of sales | - | (4,627) |
| Gross profit | 45,347 | 41,723 |
| Administration costs | (5,137) | (25,000) |
| Net profit | 40,210 | 16,723 |
| Gift aid payment to School for Social Entrepreneurs | (40,210) | (16,723) |
| Surplus / (deficit) | - | - |

Administration costs are charged to SSE and comprise management time and corresponding share of office overheads at cost.

The assets and liabilities of SSE Social Enterprise Ltd consolidated within the balance sheet are:

| | 2017 | 2016 |
|---------------------------|-----------------|----------|
| | £ | £ |
| Current assets | 45,293 | 46,350 |
| Current liabilities | (45,293) | (46,350) |
| Net current assets | - | - |
| Capital and reserves | - | - |
| Profit and loss accounts | - | - |
| Net assets | - | - |

Included within administrative expenses above is a management charge of £5,137 (2016: £25,000) from the parent entity. Amounts owed to the parent undertaking are shown in note 14.

Notes to the financial statements

For the year ended 31 March 2017

20. Parent Charity

The parent charity's gross income and the results for the year are disclosed as follows:

| | 2017 £ | 2016 £ |
|---------------------|-----------|-----------|
| Gross Income | 3,911,286 | 3,931,135 |
| Result for the year | (84,450) | (181,030) |

21. Reconciliation of net income / (expenditure) to net cash flow from operating activities

| | 2017 £ | 2016 £ |
|---|-----------------|------------------|
| Net income / (expenditure) for the reporting period (as per the statement of financial activities) | (84,450) | (181,030) |
| Depreciation charges | 3,326 | 2,999 |
| Dividends, interest and rent from investments | (10,222) | (11,711) |
| (Profit)/loss on the disposal of fixed assets | 407 | 150 |
| (Increase)/decrease in debtors | 261,547 | 647,513 |
| Increase/(decrease) in creditors | (165,568) | (77,577) |
| Net cash provided by / (used in) operating activities | 5,040 | 380,344 |

22. Contingent assets or liabilities

There were no contingent liabilities at 31st March 2017 (2016: none).

23. Operating lease commitments

The group's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

| | Property 2017 £ | 2016 £ |
|--------------------|-----------------------|---------------|
| Less than one year | 23,784 | 20,114 |
| One to five years | 112,429 | - |
| | 136,213 | 20,114 |

24. Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.