

**REGISTERED COMPANY NUMBER: 03636219 (England and Wales)**  
**REGISTERED CHARITY NUMBER: 1075789**  
**CHARITY REGISTRATION NO. SC039477 (Scotland)**

**Report of the Trustees and  
Financial Statements for the Year Ended 30th June 2018  
for**

**Kids Out UK**

Ashbys Chartered Accountants  
Statutory Auditor  
Morton House  
9 Beacon Court  
Pitstone Green Business Park  
Pitstone  
LU7 9GY

**Contents of the Financial Statements  
for the year ended 30th June 2018**

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**Report of the Trustees  
for the year ended 30th June 2018**

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The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the consolidated financial statements of the charity for the year ended 30th June 2018. The trustees have adopted the provisions of 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).

**OBJECTIVES AND ACTIVITIES**

**Objectives and aims**

The objects for which the charity is established are to promote the interests of children who are disadvantaged in any way, including sickness, disability or otherwise in need. KidsOut provides a wide range of positive experiences to support these children to grow up as well adjusted members of society; these include:

- The promotion of education through leisure time activities to develop their physical, mental and spiritual capacities that they may grow to full maturity as individuals and members of society
- The provision of facilities for recreation and other leisure time activity

**Significant activities**

KidsOut is a volunteer led charity and its main source of income is through running major corporate events. To achieve its aims, the staff focuses on securing significant in-kind support such as thousands of new toys, free tickets to events and volunteers from across the UK. KidsOut maintains close links with refuges and county council children's services departments.

**Public benefit**

The trustees follow the Charity Commission guidance on public benefit and use the phrase "Fun and Happiness" to encapsulate the types of activities we provided and promoted, recognising that, for children, recreational and leisure time activities are ones that they would choose to do. Further, that these activities successfully engage their interest making informal education possible and, by making them happy, improve their quality of life.

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

**Volunteers**

KidsOut relies heavily on volunteers. It is estimated that some 8000 Rotarians support the National Rotary KidsOut Day. Their role is to fund raise throughout the year in order to provide disadvantaged children with a KidsOut day. Many of these volunteers then support the events by running stalls, escorting children, providing lunch etc. There are (estimated) another 3000 non-Rotary volunteers that help out on the Day. Our major events have volunteer committees who sell tables, gain sponsorship and help run the events - about 100 committee members. Every year about 250 volunteers do sponsored events on behalf of KidsOut. Our Christmas appeal and Christmas parties rely on about 1000 volunteers who raise money and provide entertainment for children. The KidsOut Colour Dash attracted over 800 participants and some 70 volunteers supported the event. We had 80 volunteers help at the trolley dash at the Toy fair. We had numerous toy box packs and a massive task of auditing every toy from the Giving Tree appeal and the Toy Fair, involving in excess of 300 volunteers. Within KidsOut office we had 10 active volunteers maintaining our event stock records, gift aid, IT, CRM data gathering and social media.

## **ACHIEVEMENT AND PERFORMANCE**

The continued rapid growth of KidsOut and their children services' statistics are very impressive indeed.

The National KidsOut Rotary Day broke all records with 30193 children having fun at 146 locations around the UK. This success was mainly due to the initiative to have a Rotarian KidsOut Ambassador from every Rotary District resulting in an additional 24 event locations for children to attend. KidsOut continues to work with every single Women's Aid Federation Refuge providing fun days out, playroom toys, Christmas presents, refuge refurbishments and toy boxes all for the benefit of refuge children. A staggering 3190 toy boxes were delivered to relocated children, including 1140 toy boxes delivered to children in safe houses. Every child in refuge at Christmas had an opportunity to receive a Christmas present and over 10000 presents were distributed. The Fun Day initiative provided a record 21690 children and 1652 refuge mothers with a superb day out. Two sensory rooms were delivered and a refurbishment programme is in place. Specialised workshops were provided for children who had suffered serious abuse and identified as greatest need. The World Stories 3 year initiative to transform it into an online learning platform supporting educators and learners around the globe is on track. In conjunction with Giglets Education, all the previous World Stories website content has been remastered to include professional illustrations, theme music, interactivity and specialised learning resources. In all, 122 stories are now active.

What the statistics hide is the fact that not only did KidsOut increase the number of children supported but that the support itself continued to be improved in terms of quality and of much more focussed benefit for refuge children in particular. The transformation that has continued within KidsOut could not happen without the full and active support of its key network of volunteers. It should be noted that this success is a direct result of the Chairman's overall leadership, a diverse range of Trustees, KidsOut expanding network of Ambassadors, the regional event committees, closer ties with Rotary and the small team of staff and volunteers at their office in Leighton Buzzard.

It is important to note that 'cash' fund raising has been more challenging than previous years but that in-kind support has once again significantly increased and has directly helped to deliver more services.

## **FINANCIAL REVIEW**

### **Principal funding sources**

The principal funding sources were donations in kind in the form of Fund Days Out and Toys (£2,081,525) together with income generated through fundraising (£805,007)

### **Reserves**

Note 17 to the financial statements shows the movement on funds during the year. Unrestricted funds of the charity amounted to £1,143,071 of which £772,084 was freely available at the balance sheet date, the remainder being invested in tangible fixed assets.

The reserve policy during the year was as per the Charity Commission guidance. KidsOut maintained the recommended 6 months operating costs (£250k); one year of committed services (£375k) and provision for the loss of a major event (£125k). The charity is in a sound financial position going into financial year 2018/19.

**Report of the Trustees  
for the year ended 30th June 2018**

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**FUTURE PLANS**

For the year July 2018 to June 2019, KidsOut will:-

Provide fun and positive experiences to more disadvantaged children and young people.

Generate sufficient funding and secure significant in-kind support in order to:

- Provide every child that is relocated from a WAFE refuge the opportunity to receive a toy box.
- Provide 45,000 children with either a National KidsOut Rotary Day or a Fun Day out.
- Provide 1,000 toy boxes to children who have fled domestic violence and have been relocated to safe houses due to lack of refuge accommodation.
- Provide 2 new Phyzzpod sensory rooms to special needs schools and refurbish 2 others.
- Provide the opportunity for every child in a WAFE refuge at Christmas to receive at least one present.
- Organise festive fun days out such as Christmas parties and pantomimes around the country for over 5,000 disadvantaged children that would otherwise miss out.
- Working with partners, continue the KidsOut workshop initiative aimed at the UK's most vulnerable children
- Working with Giglets Education, provide 75 new stories with specialised learning resources, professional illustrations, theme music and interactivity for the new World Stories site.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing document**

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

**Recruitment and appointment of new trustees**

As set out in the Articles of Association, Trustees can nominate to the Nomination Committee, chaired by Simon Linares, then the recommendations go to the Board based on the perceived skills requirements to compliment the Board. One third of the trustees resign each year at the AGM of the charity (based on a rota system) but can stand again for re-election at the same meeting. When looking for new trustees to nominate, the trustee board undertakes a skills audit to highlight the areas desired by the charity and those currently lacking or under-represented.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

**Decision making**

The board of trustees administer the charity. The board meet quarterly and individuals will input their particular areas of expertise through the Chief Executive where required at other times. The Chief Executive is appointed by the trustees to manage the day to day operation of the charity. The trustees delegate authority to the Chief Executive to facilitate operations including finance, fundraising, project development and service provision and employment.

**Key management remuneration**

All Trustees give their time freely and no Trustee/Director received remuneration in the year. The pay of senior staff is reviewed annually and normally increased in accordance with average earnings. In view of the nature of the charity, the directors benchmark against pay levels in other charities of a similar size and scale of activity. A remuneration committee through the Chairman sets and approves all pay awards for the staff.

**Risk management**

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. The staff of the charity submit their own areas of work to a risk assessment on an annual basis and the results of that are compiled in a risk register. This contains identified risks, the systems put in place to mitigate those risks and the procedures put in place to minimise the potential impact of those risks, should they materialise and is reviewed by the trustee board.

**Report of the Trustees  
for the year ended 30th June 2018**

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**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Employee involvement**

The charity's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

**Disabled persons**

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the charity continues and that the appropriate training is arranged. It is the policy of the charity that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered Company number**

03636219 (England and Wales)

**Registered Charity number**

1075789

**Registered office**

14 Church Square  
Leighton Buzzard  
Bedfordshire  
LU7 1AE

**Trustees**

C Adcock	
P H L Blom	
R M Burgess	- resigned 16.03.18
S Cartwright	
Ms P A Child	
Ms T C Dodge	- resigned 15.07.17
S G Glancey	
K D Green	
J G Harkness	- resigned 15.01.18
A E Linares	
Ms S A M O'Brien	
J G O'Hagan	
Ms H M Pitcher OBE	
Ms F M Rodford	- resigned 30.07.18
Ms A E Wills	- resigned 30.06.18

**Chief Executive**

G Moulds CBE DL

**Report of the Trustees  
for the year ended 30th June 2018**

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**REFERENCE AND ADMINISTRATIVE DETAILS**

**Auditors**

Ashbys Chartered Accountants  
Statutory Auditor  
Morton House  
9 Beacon Court  
Pitstone Green Business Park  
Pitstone  
LU7 9GY

**Bankers**

Metro Bank  
44 – 46 Midsummer Boulevard  
Milton Keynes  
Buckinghamshire  
MK9 3BB

**Solicitors**

Matthew Arnold & Baldwin  
25 Southampton Buildings  
London  
WC2A 1AL

Wragge & Co LLP  
55 Colmore Row  
Birmingham  
B3 2AS

**Report of the Trustees  
for the year ended 30th June 2018**

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**STATEMENT OF TRUSTEES RESPONSIBILITIES**

The trustees (who are also the directors of Kids Out UK for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

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

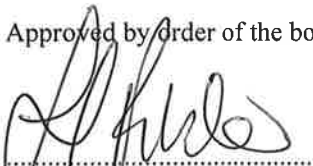
The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and 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 auditors are unaware; and
- 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 auditors are aware of that information.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 24 October 2018 and signed on its behalf by:



.....  
Ms H M Pitcher OBE - Trustee



**Opinion**

We have audited the financial statements of Kids Out UK (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 30th June 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 30th June 2018 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006.

**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 Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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 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 annual report, other than the financial statements and our Report of the Independent Auditors 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 misstatements we are required to determine whether there is a material misstatement in the financial statements of 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' report (incorporating the directors' report) for the financial year for which financial statements are being prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

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

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

## Report of the Independent Auditors to the Trustees of Kids Out UK

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We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and proper accounting records; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of directors' 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 directors' 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 on page six, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 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

We have been appointed as auditor under section 44(1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under 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 a Report of the Independent Auditors 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

### Use of our report

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 to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' 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's members and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Ashbys

Ashbys Chartered Accountants  
Statutory Auditor  
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006  
Morton House  
9 Beacon Court  
Pitstone Green Business Park  
Pitstone  
LU7 9GY

Date: ..... 24 October 2018 .....

**Kids Out UK****Consolidated Statement of Financial Activities  
(Incorporating an Income and Expenditure Account)  
for the year ended 30th June 2018**

	Notes	Unrestricted fund £	Restricted funds £	2018 Total funds £	2017 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	3	327,126	2,180,225	2,507,351	1,785,721
Other trading activities	4	805,007	-	805,007	765,106
Investment income	5	<u>679</u>	<u>-</u>	<u>679</u>	<u>853</u>
<b>Total</b>		1,132,812	2,180,225	3,313,037	2,551,680
<b>EXPENDITURE ON</b>					
Raising funds	6	505,665	-	505,665	432,044
<b>Charitable activities</b>	7				
Supporting disadvantaged children		<u>603,812</u>	<u>2,056,423</u>	<u>2,660,235</u>	<u>2,006,439</u>
<b>Total</b>		1,109,477	2,056,423	3,165,900	2,438,483
<b>NET INCOME</b>					
		<u>23,335</u>	123,802	147,137	113,197
<b>Transfers between funds</b>	17	<u>24,700</u>	<u>(24,700)</u>	<u>-</u>	<u>-</u>
<b>Net movement in funds</b>		48,035	99,102	147,137	113,197
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		1,095,036	492,084	1,587,120	1,473,923
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>1,143,071</u>	<u>591,186</u>	<u>1,734,257</u>	<u>1,587,120</u>

**CONTINUING OPERATIONS**

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

**Kids Out UK (Registered number: 03636219)**  
**Consolidated Balance Sheet**  
**At 30th June 2018**

GROUP	Notes	Unrestricted fund £	Restricted funds £	2018	2017
				Total funds £	Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	13	370,987	-	370,987	317,077
<b>CURRENT ASSETS</b>					
Stocks	14	-	591,186	591,186	492,084
Debtors	15	177,428	-	177,428	125,086
Cash at bank and in hand		<u>791,068</u>	<u>-</u>	<u>791,068</u>	<u>835,347</u>
		968,496	591,186	1,559,682	1,452,517
<b>CREDITORS</b>					
Amounts falling due within one year	16	<u>(196,412)</u>	<u>-</u>	<u>(196,412)</u>	<u>(182,474)</u>
<b>NET CURRENT ASSETS</b>		<u>772,084</u>	<u>591,186</u>	<u>1,363,270</u>	<u>1,270,043</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,143,071</u>	<u>591,186</u>	<u>1,734,257</u>	<u>1,587,120</u>
<b>NET ASSETS</b>		<u>1,143,071</u>	<u>591,186</u>	<u>1,734,257</u>	<u>1,587,120</u>
<b>FUNDS</b>	17				
Unrestricted funds				1,143,071	1,095,036
Restricted funds				<u>591,186</u>	<u>492,084</u>
<b>TOTAL FUNDS</b>				<u>1,734,257</u>	<u>1,587,120</u>
<b>CHARITY</b>					
<b>FIXED ASSETS</b>					
Tangible assets	13	367,941	-	367,941	312,442
<b>CURRENT ASSETS</b>					
Stocks	14	-	591,186	591,186	492,084
Debtors	15	113,851	-	113,851	68,884
Cash at bank and in hand		<u>713,331</u>	<u>-</u>	<u>713,331</u>	<u>762,080</u>
		827,182	591,186	1,418,368	1,323,048
<b>CREDITORS</b>					
Amounts falling due within one year	16	<u>(97,355)</u>	<u>-</u>	<u>(97,355)</u>	<u>(92,090)</u>
<b>NET CURRENT ASSETS</b>		<u>729,827</u>	<u>591,186</u>	<u>1,321,013</u>	<u>1,230,958</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,097,768</u>	<u>591,186</u>	<u>1,688,954</u>	<u>1,543,400</u>
<b>NET ASSETS</b>		<u>1,097,768</u>	<u>591,186</u>	<u>1,688,954</u>	<u>1,543,400</u>
<b>FUNDS</b>					
Unrestricted funds				1,097,768	1,051,316
Restricted funds				<u>591,186</u>	<u>492,084</u>
<b>TOTAL FUNDS</b>				<u>1,688,954</u>	<u>1,543,400</u>

The notes form part of these financial statements

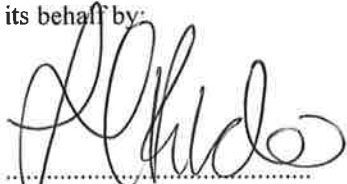
**Kids Out UK (Registered number: 03636219)**

**Consolidated Balance Sheet - continued**  
**At 30th June 2018**

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These group financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The consolidated financial statements were approved by the Board of Trustees on 24 October 2018 and were signed on its behalf by:



Ms H M Pitcher OBE-Trustee

The notes form part of these financial statements

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**Kids Out UK****Consolidated Cash Flow Statement  
for the year ended 30th June 2018**

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	Notes	2018 £	2017 £
<b>Cash flows from operating activities:</b>			
Cash generated from operations	1	<u>15,790</u>	<u>(53,128)</u>
<b>Net cash provided by (used in) operating activities</b>		<u>15,790</u>	<u>(53,128)</u>
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		(60,748)	(317,209)
Interest received		<u>679</u>	<u>853</u>
<b>Net cash provided by (used in) investing activities</b>		<u>(60,069)</u>	<u>(316,356)</u>
<b>Change in cash and cash equivalents in the reporting period</b>		(44,279)	(369,484)
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>835,347</u>	<u>1,204,831</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u><u>791,068</u></u>	<u><u>835,347</u></u>

The notes form part of these financial statements

Notes to the Consolidated Cash Flow Statement  
for the year ended 30th June 2018

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**1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2018	2017
	£	£
<b>Net income/(expenditure) for the reporting period (as per the statement of financial activities)</b>	147,137	113,197
<b>Adjustments for:</b>		
Depreciation charges	6,838	132
Interest received	(679)	(853)
Increase in stocks	(99,102)	(175,318)
(Increase)/decrease in debtors	(52,342)	12,608
Increase/(decrease) in creditors	<u>13,938</u>	<u>(2,894)</u>
<b>Net cash provided by (used in) operating activities</b>	<u>15,790</u>	<u>(53,128)</u>

Stocks comprise donated toys and vouchers

**1. CHARITY INFORMATION**

Kids Out UK is a private company limited by guarantee incorporated in England and Wales. The registered office is 14 Church Square, Leighton Buzzard, Bedfordshire, LU7 1AE.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. Kids Out UK meets the definition of a public benefit entity under FRS 102. The financial statements have been prepared under the historical cost convention. The presentation currency of the financial statements is the Pound Sterling (£) and monetary amounts have been rounded to the nearest £.

The financial statements consolidate the results of the charity and its wholly owned subsidiary Kids Out Trading Limited on a line by line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

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

**Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

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

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

The Charity benefits greatly from the involvement and support of its many volunteers. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the accounts.

**Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

**Allocation and apportionment of costs**

Support costs are allocated to the charity's principal charitable activity.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Computer equipment	- 33% on cost
Freehold property	- 2% on cost
Improvements to freehold property	- 5% on cost

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**2. ACCOUNTING POLICIES - continued**

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**Taxation**

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

**Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

**Pension costs and other post-retirement benefits**

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

**Donated goods**

Donated goods and gifts in kind are included at the value of the gift to the charity being the equivalent economic benefit at the time of the donation. A corresponding amount is then recognised in expenditure in the period of receipt or, in the case of donated toys, in the period the toys are distributed to the beneficiaries of the charity.

**Cash at bank and in hand**

Cash at bank and in hand includes cash held in short term deposit accounts or accounts with instant access.

**3. DONATIONS AND LEGACIES**

	2018	2017
	£	£
Donations	2,397,539	1,720,9971
Gift aid	20,512	22,300
Legacies	10,000	15
Grants	<u>79,300</u>	<u>42,409</u>
	<u>2,507,351</u>	<u>1,785,721</u>

Income from donations included the following:

- Fun days out gifted in kind at an estimated value of £1,373,322 (2017: £1,104,319). These are included as income and an equivalent charge is included in charitable activities.
- Toys donated at an estimated value of £708,203 (2017: £384,538). These are included as income when received and included in stock until they have been gifted to a child.
- Toy storage and delivery services are supplied free of charge at an estimated value of £50,000 (2017: £50,000). These are included as income and an equivalent charge is included in charitable activities.
- Carpets and office furniture donated at an estimated value of £6,500.

Notes to the Consolidated Financial Statements - continued  
for the year ended 30th June 2018

4. OTHER TRADING ACTIVITIES

	2018	2017
	£	£
Fundraising events	<u>805,007</u>	<u>765,106</u>

Kids Out Trading Limited, a company incorporated in England & Wales (company number 4366968) is a subsidiary of the charity by virtue of Sections 1162(2)(c)(i) and 1162(4) (a) of the Companies Act 2006. The company pays all profits in excess of working capital requirements to the charity under the gift aid scheme. Kids Out Trading Limited provides fundraising services to the charity and a summary of the trading results are shown below.

The summary financial performance of the subsidiary alone is:

	2018	2017
	£	£
Turnover	412,660	376,419
Cost of sales and administration costs	372,790	332,386
Net profit	39,870	44,033
Gift aided to the charity in the year	(39,398)	(114,017)
Retained	472	(69,984)

The assets and liabilities of the subsidiary were:

	2018	2017
	£	£
Fixed assets	3,046	4,635
Current assets	180,549	143,493
Current liabilities	<u>(139,401)</u>	<u>(104,406)</u>
	<u>44,194</u>	<u>43,722</u>

Gift aided to the charity since the balance sheet date £41,459

5. INVESTMENT INCOME

	2018	2017
	£	£
Deposit account interest	<u>679</u>	<u>853</u>

6. RAISING FUNDS

Raising donations and legacies

	2018	2017
	£	£
Staff costs	65,357	57,449
Staging fundraising events	364,504	301,899
Other fundraising costs	70,879	72,948
Support costs	<u>4,925</u>	<u>(252)</u>
	<u>505,665</u>	<u>432,044</u>

Notes to the Consolidated Financial Statements - continued  
for the year ended 30th June 2018

7. CHARITABLE ACTIVITIES COSTS

	Direct costs	Support costs (See note 8)	Totals
	£	£	£
Supporting disadvantaged children	<u>2,322,272</u>	<u>337,963</u>	<u>2,660,235</u>

8. SUPPORT COSTS

	Management	Finance	Governance	Totals
	£	£	£	£
Raising donations and legacies	1,863	1,032	2,030	4,925
Supporting disadvantaged children	<u>327,488</u>	<u>6,275</u>	<u>4,200</u>	<u>337,963</u>
	<u>329,351</u>	<u>7,307</u>	<u>6,230</u>	<u>342,888</u>

9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2018	2017
	£	£
Auditors' remuneration	6,230	6,450
Depreciation - owned assets	<u>6,838</u>	<u>132</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 30th June 2018 nor for the year ended 30th June 2017.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 30th June 2018 nor for the year ended 30th June 2017.

Notes to the Consolidated Financial Statements - continued  
for the year ended 30th June 2018

**11. STAFF COSTS**

	2018	2017
	£	£
Wages and salaries	272,319	272,009
Social security costs	22,235	22,948
Other pension costs	<u>5,405</u>	<u>2,387</u>
	<u>299,959</u>	<u>246,091</u>

The average monthly number of employees during the year was as follows:

	2018	2017
Charitable activities	4	5
Generating funds	4	2
Support	2	2
Governance	<u>1</u>	<u>1</u>
	<u>11</u>	<u>10</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2018	2017
£100,001 - £110,000	<u>1</u>	<u>1</u>

Pension costs are allocated to activities and between restricted and unrestricted funds in proportion to the related staffing costs incurred.

**12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted fund £	Restricted funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	210,917	1,574,804	1,785,721
Other trading activities	765,106	-	765,106
Investment income	<u>853</u>	<u>-</u>	<u>853</u>
<b>Total</b>	1,179,082	1,607,643	2,786,725
<b>EXPENDITURE ON</b>			
Raising funds	432,044	-	432,044
<b>Charitable activities</b>			
Supporting disadvantaged children	<u>606,953</u>	<u>1,399,486</u>	<u>2,006,439</u>
<b>Total</b>	<u>1,038,997</u>	<u>1,399,486</u>	<u>2,438,483</u>
<b>NET INCOME/(EXPENDITURE)</b>	(62,121)	175,318	113,197
<b>RECONCILIATION OF FUNDS</b>			
<b>Total funds brought forward</b>	<u>1,157,157</u>	<u>316,766</u>	<u>1,473,923</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u>1,095,036</u>	<u>492,084</u>	<u>1,587,120</u>

Notes to the Consolidated Financial Statements - continued  
for the year ended 30th June 2018

## 13. TANGIBLE FIXED ASSETS

GROUP	Freehold property £	Improvements To freehold £	Computer equipment £	Totals £
<b>COST</b>				
At 1st July 2017	312,442	-	78,442	390,884
Additions	-	60,748	-	60,748
Disposals	-	-	-	-
At 30th June 2018	<u>312,442</u>	<u>60,748</u>	<u>78,442</u>	<u>451,632</u>
<b>DEPRECIATION</b>				
At 1st July 2017	-	-	73,807	73,807
Charge for year	5,249	-	1,589	6,838
Eliminated on disposal	-	-	-	-
At 30th June 2018	<u>5,249</u>	<u>-</u>	<u>73,807</u>	<u>80,645</u>
<b>NET BOOK VALUE</b>				
At 30th June 2018	<u>307,193</u>	<u>60,748</u>	<u>3,046</u>	<u>370,987</u>
At 30th June 2017	<u>312,442</u>	<u>-</u>	<u>4,635</u>	<u>317,007</u>

Included in cost or valuation of land and buildings is freehold land of £50,000 which is not depreciated.

CHARITY	Freehold property £	Improvements To freehold £	Computer equipment £	Totals £
<b>COST</b>				
At 1st July 2017	312,442	-	73,675	386,117
Additions	-	60,748	-	60,748
Disposals	-	-	-	-
At 30th June 2018	<u>312,442</u>	<u>60,748</u>	<u>73,675</u>	<u>446,865</u>
<b>DEPRECIATION</b>				
At 1st July 2017	-	-	73,675	73,675
Charge for year	5,249	-	-	5,249
Eliminated on disposal	-	-	-	-
At 30th June 2018	<u>5,249</u>	<u>-</u>	<u>73,675</u>	<u>78,924</u>
<b>NET BOOK VALUE</b>				
At 30th June 2018	<u>307,193</u>	<u>60,748</u>	<u>-</u>	<u>367,941</u>
At 30th June 2017	<u>312,442</u>	<u>-</u>	<u>-</u>	<u>312,442</u>

Included in cost or valuation of land and buildings is freehold land of £50,000 which is not depreciated.

Notes to the Consolidated Financial Statements - continued  
for the year ended 30th June 2018

**14. STOCKS**

	2018	2017
	£	£
Stocks	<u>591,186</u>	<u>492,084</u>

All stocks are held by the charity

**15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Charity 2018	Charity 2017	Group 2018	Group 2017
	£	£	£	£
Trade debtors	60,960	44,867	155,585	112,247
Other debtors	18,370	8,768	18,370	8,768
Kids Out Trading Limited	33,638	14,024	-	-
VAT	-	-	-	648
Prepayments and accrued income	<u>1,153</u>	<u>1,225</u>	<u>3,473</u>	<u>3,423</u>
	<u>113,851</u>	<u>68,884</u>	<u>177,428</u>	<u>125,086</u>

**16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Charity 2018	Charity 2017	Group 2018	Group 2017
	£	£	£	£
Trade creditors	69,333	54,705	107,129	107,618
Social security and other taxes	7,664	-	7,664	-
VAT	-	-	1,015	-
Other creditors	3,323	7,368	3,323	7,368
Accruals and deferred income	<u>17,035</u>	<u>30,017</u>	<u>77,281</u>	<u>67,488</u>
	<u>97,355</u>	<u>92,090</u>	<u>196,412</u>	<u>182,474</u>

**17. MOVEMENT IN FUNDS**

	At 1/7/17	Net movement in funds	Transfers between funds	At 30/06/18
	£	£	£	£
<b>Unrestricted funds</b>				
General fund	1,095,036	23,335	24,700	1,143,071
<b>Restricted funds</b>				
Toy box	492,084	99,102	-	591,186
Property improvements	<u>-</u>	<u>24,700</u>	<u>(24,700)</u>	<u>-</u>
	<u>492,084</u>	<u>123,802</u>	<u>(24,700)</u>	<u>591,186</u>
<b>TOTAL FUNDS</b>	<u>1,587,120</u>	<u>147,137</u>	<u>-</u>	<u>1,734,257</u>

Notes to the Consolidated Financial Statements - continued  
for the year ended 30th June 2018

## 17. MOVEMENT IN FUNDS (Cont.)

Net movement in funds, included in the above are as follows:	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	1,132,812	(1,109,477)	23,335
<b>Restricted funds</b>			
Toy box	758,203	(659,101)	99,102
Fun days	1,387,322	(1,387,322)	-
Property improvements	24,700	-	24,700
Sensory rooms	10,000	(10,000)	-
	<u>2,180,225</u>	<u>(2,056,423)</u>	<u>123,802</u>
<b>TOTAL FUNDS</b>	<u>3,313,037</u>	<u>(3,165,900)</u>	<u>147,137</u>
<b>Comparative for movement in funds</b>	At 01/7/16	Net movement in funds	At 30/6/17
	£	£	£
<b>Unrestricted funds</b>			
General fund	1,157,157	(62,121)	1,095,036
<b>Restricted funds</b>			
Toy box	316,766	(175,318)	492,084
<b>TOTAL FUNDS</b>	<u>1,473,923</u>	<u>113,197</u>	<u>1,587,120</u>
Comparative net movement in funds, included in the above are as follows:			
	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	976,876	(1,038,997)	(62,121)
<b>Restricted funds</b>			
Toy box	758,203	(260,220)	175,318
Fun days	1,126,069	(1,126,069)	-
Sensory rooms	13,167	(13,197)	-
	<u>1,574,804</u>	<u>(1,399,486)</u>	<u>175,318</u>
<b>TOTAL FUNDS</b>	<u>2,551,680</u>	<u>(2,438,483)</u>	<u>113,197</u>

**Toy Box:** Box of toys delivered to children from refuges who have escaped domestic violence.

**Fun days:** Fun activity days out for disadvantaged children including the annual Rotary Day out.

**Sensory Rooms:** The provision of a sensory rooms, upgrades and teacher training.

**Property improvements:** Funding the property improvements required at the charity's offices.

**18. RELATED PARTY DISCLOSURES**

**Kids Out Trading Limited**

During the year one trustee of Kids Out UK was a director of Kids Out Trading Limited.

A management charge of £45,000 (2017: £45,000) was made by the parent charitable undertaking to Kids Out Trading Limited and Kids Out Trading Limited made a gift aid donation to Kids Out UK of £39,398 (2017: £53,986).

At the balance sheet date Kids Out Trading Limited owed Kids Out UK £33,368 (£14,024).

The key management personnel of the charity is the Chief Executive Officer whose employee benefits totalled £111,971 (2017 - £111,257).