

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 2017
for
Kids Out UK**

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

Kids Out UK

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for the year ended 30th June 2017**

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**Report of the Trustees
for the year ended 30th June 2017**

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 2017. 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. Our refuge 'make over' programme involve some 10 volunteers per refuge – 5 completed last year. 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 was a huge success with 28105 children having fun at over 120 locations around the UK. 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 record 1561 toy boxes were delivered to relocated children and for the first time 221 toy boxes were 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. Further 120 refuges received giant toy boxes for their refuge playrooms. The Fun Day initiative provided a record 20589 children and 3130 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. We are in the process of transferring the content, to allow them to remaster the stories to include professional illustrations, theme music, interactivity and specialised learning resources.

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. The challenge will be to continue this rapid year on year growth.

It is important to note that in-kind support has once again significantly increased and has directly helped to deliver more services.

FINANCIAL REVIEW

The trustees consider the financial position satisfactory.

Principal funding sources

The principal funding sources were donations in kind in the form of Fund Days Out and Toys (£1,488,857) together with income generated through fundraising (£720,106)

Reserves

Note 19 to the financial statements shows the movement on funds during the year. Unrestricted funds of the charity amounted to £1,051,316 of which £738,874 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 (£250k) and provision for the loss of a major event (£150k). The charity is in a sound financial position going into financial year 2017. It should be noted that a full investment policy review was held and the Trustees approved the purchase of the KidsOut office and a bank move. As per the Charity Commission advice, the office purchase and refurbishment form part of KidsOut reserve policy. The building was purchased for less than the valuation and over £100k dilapidation costs and moving expenses were avoided. All excess funds have been allocated for spend on children's services this financial year.

FUTURE PLANS

For the year July 2017 to June 2018, 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 45000 children with either a National KidsOut Rotary Day or a Fun Day out.
- Provide 2 new Phyzpod sensory rooms to special needs schools and refurbish 2 others.
- Provide 1000 toy boxes to children who have fled domestic violence and have been relocated to safe houses due to lack of refuge accommodation.
- Working with Giglets Education, over the next 2 years, transform and grow World Stories by providing a new website with specialised learning resources, professional illustrations, theme music and interactivity.
- 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
- Provide 100 refuge playrooms with sufficient new toys throughout the year

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, the trustees are nominated by other trustees and must be approved by a board meeting. 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 2017**

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	- appointed 1.7.2016
P H L Blom	
R M Burgess	
S Cartwright	
Ms P A Child	
Ms C A Davies	- resigned 2.4.2017
Ms T C Dodge	
S G Glancey	
K D Green	
J G Harkness	
A E Linares	
Ms S A M O'Brien	
J G O'Hagan	
Ms H M Pitcher OBE	
Ms F M Rodford	
Ms J Webb	- resigned 30.6.2017
Ms A E Wills	
J Bhandal	- resigned 21.7.2016
B Buckley	- resigned 26.10.2016

Chief Executive

G Moulds CBE

Kids Out UK (Registered number: 03636219)

**Report of the Trustees
for the year ended 30th June 2017**

REFERENCE AND ADMINISTRATIVE DETAILS

Auditors

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

Bankers

Bank of Scotland
38 St Andrews Square
Edinburgh
EH2 2YR

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 2017**

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.

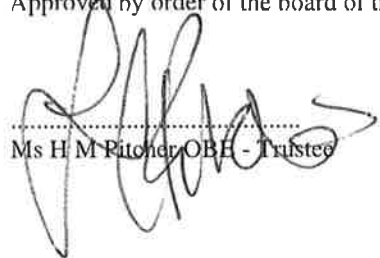
The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding 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 ~~21 March 2018~~ 21 March 2018 and signed on its behalf by:



Ms H M Ritcher OBE - Trustee

Opinion

We have audited the financial statements of Kids Out UK (the 'charitable company') for the year ended 30th June 2017 on pages nine to twenty one. 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'.

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 Section 44(1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and 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.

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 2017 and of its 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 regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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.

Other Matter

The financial statements of the charitable company for the year ended 30 June 2016 were audited by another auditor who expressed an unmodified opinion on those statements on 27 January 2017.

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 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, 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements ; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

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. This description forms part of our Report of the Independent Auditors.

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: ...27... March 2018.....

Kids Out UK**Consolidated Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the year ended 30th June 2017**

		Unrestricted fund £	Restricted funds £	2017 Total funds £	2016 Total funds as restated £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	255,917	1,574,804	1,830,721	1,989,786
Other trading activities	4	720,106	-	720,106	795,781
Investment income	5	<u>853</u>	<u>-</u>	<u>853</u>	<u>1,158</u>
Total		976,876	1,574,804	2,551,680	2,786,725
EXPENDITURE ON					
Raising funds	6	432,044	-	432,044	505,058
Charitable activities	7				
Supporting disadvantaged children		<u>606,953</u>	<u>1,399,486</u>	<u>2,006,439</u>	<u>1,763,328</u>
Total		1,038,997	1,399,486	2,438,483	2,268,386
NET INCOME/(EXPENDITURE)		(62,121)	175,318	113,197	518,339
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>1,157,157</u>	<u>316,766</u>	<u>1,473,923</u>	<u>955,584</u>
TOTAL FUNDS CARRIED FORWARD		<u>1,095,036</u>	<u>492,084</u>	<u>1,587,120</u>	<u>1,473,923</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 2017

GROUP	Notes	2017		2016	
		Unrestricted fund £	Restricted funds £	Total funds £	Total funds £
FIXED ASSETS					
Tangible assets	14	317,077	-	317,077	-
CURRENT ASSETS					
Stocks	15	-	492,084	492,084	316,766
Debtors	16	125,086	-	125,086	137,694
Cash at bank and in hand		<u>835,347</u>	<u>-</u>	<u>835,347</u>	<u>1,204,831</u>
		960,433	492,084	1,452,517	1,659,291
CREDITORS					
Amounts falling due within one year	17	<u>(182,474)</u>	<u>-</u>	<u>(182,474)</u>	<u>(185,368)</u>
NET CURRENT ASSETS		<u>777,959</u>	<u>492,084</u>	<u>1,270,043</u>	<u>1,473,923</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,095,036</u>	<u>492,084</u>	<u>1,587,120</u>	<u>1,473,923</u>
NET ASSETS		<u>1,095,036</u>	<u>492,084</u>	<u>1,587,120</u>	<u>1,473,923</u>
FUNDS	19				
Unrestricted funds				1,095,036	1,157,157
Restricted funds				<u>492,084</u>	<u>316,766</u>
TOTAL FUNDS				<u>1,587,120</u>	<u>1,473,923</u>
CHARITY					
FIXED ASSETS					
Tangible assets	14	312,442	-	312,442	-
CURRENT ASSETS					
Stocks	15	-	492,084	492,084	316,766
Debtors	16	68,884	-	68,884	130,701
Cash at bank and in hand		<u>762,080</u>	<u>-</u>	<u>762,080</u>	<u>994,363</u>
		830,964	492,084	1,323,048	1,441,830
CREDITORS					
Amounts falling due within one year	17	<u>(92,090)</u>	<u>-</u>	<u>(92,090)</u>	<u>(81,611)</u>
NET CURRENT ASSETS		<u>738,874</u>	<u>492,084</u>	<u>1,230,958</u>	<u>1,360,219</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,051,316</u>	<u>492,084</u>	<u>1,543,400</u>	<u>1,360,219</u>
NET ASSETS		<u>1,051,316</u>	<u>492,084</u>	<u>1,543,400</u>	<u>1,360,219</u>
FUNDS					
Unrestricted funds				1,051,316	1,043,453
Restricted funds				<u>492,084</u>	<u>316,766</u>
TOTAL FUNDS				<u>1,543,400</u>	<u>1,360,219</u>

The notes form part of these financial statements

Kids Out UK (Registered number: 03636219)

Consolidated Balance Sheet - continued
At 30th June 2017

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 22 March 2018 and were signed on its behalf by:



Ms N M Pitcher OBE - Trustee

The notes form part of these financial statements

Kids Out UK

**Consolidated Cash Flow Statement
for the year ended 30th June 2017**

	Notes	2017 £	2016 £
Cash flows from operating activities:			
Cash generated from operations	1	<u>(53,128)</u>	<u>296,622</u>
Net cash provided by (used in) operating activities		<u>(53,128)</u>	<u>296,622</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(317,209)	-
Interest received		<u>853</u>	<u>1,158</u>
Net cash provided by (used in) investing activities		<u>(316,356)</u>	<u>1,158</u>
Change in cash and cash equivalents in the reporting period		<u>(369,484)</u>	<u>297,780</u>
Cash and cash equivalents at the beginning of the reporting period		<u>1,204,831</u>	<u>907,051</u>
Cash and cash equivalents at the end of the reporting period		<u>835,347</u>	<u>1,204,831</u>

The notes form part of these financial statements

Notes to the Consolidated Cash Flow Statement
for the year ended 30th June 2017

1. 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)	113,197	518,339
Adjustments for:		
Depreciation charges	132	5,000
Interest received	(853)	(1,158)
Increase in stocks	(175,318)	(316,766)
Decrease in debtors	12,608	9,329
(Decrease)/increase in creditors	<u>(2,894)</u>	<u>81,878</u>
Net cash provided by (used in) operating activities	<u>(53,128)</u>	<u>296,622</u>

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. The charity is a public benefit entity.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, 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. 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 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

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 valuation at the time of the donation.

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

	2017	2016 as restated
	£	£
Donations	1,720,997	1,957,201
Gift aid	22,300	19,596
Legacies	15	3,208
Grants	<u>42,409</u>	<u>47,291</u>
	<u>1,785,721</u>	<u>2,027,296</u>

Income from donations include the following -

- Fun days out gifted in kind at an estimated value of £1,104,319, these are included as income and an equivalent charge is included in charitable activities

- Toys donated at an estimated value of £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, this is included as income and an equivalent charge is included in charitable activities

4. OTHER TRADING ACTIVITIES

	2017	2016 as restated
	£	£
Fundraising events	<u>765,106</u>	<u>758,271</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 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:

	2017	2016
	£	£
Turnover	376,419	495,674
Cost of sales and administration costs	332,386	381,657
Net profit	44,033	114,017
Gift aided to the charity in the year	(114,017)	(82,510)
Retained	(69,984)	31,507

The assets and liabilities of the subsidiary were:

	2017	2016
	£	£
Fixed assets	4,635	-
Current assets	143,493	280,045
Current liabilities	<u>(104,406)</u>	<u>(166,699)</u>
	<u>43,722</u>	<u>113,706</u>

Gift aided to the charity since the balance sheet date £39,398

5. INVESTMENT INCOME

	2017	2016 as restated
	£	£
Deposit account interest	<u>853</u>	<u>1,158</u>

6. RAISING FUNDS

Raising donations and legacies

	2017	2016 as restated
	£	£
Staff costs	57,449	58,523
Staging fundraising events	301,899	354,841
Other fundraising costs	72,948	90,603
Support costs	<u>(252)</u>	<u>1,091</u>
	<u>432,044</u>	<u>505,058</u>

Notes to the Consolidated Financial Statements - continued
for the year ended 30th June 2017

7. CHARITABLE ACTIVITIES COSTS

	Direct costs £	Support costs (See note 8) £	Totals £
Supporting disadvantaged children	<u>1,605,014</u>	<u>401,425</u>	<u>2,006,439</u>

8. SUPPORT COSTS

	Management £	Finance £	Information technology £
Raising donations and legacies	132	-	(384)
Supporting disadvantaged children	<u>390,033</u>	<u>4,482</u>	<u>-</u>
	<u>390,165</u>	<u>4,482</u>	<u>(384)</u>

	Other £	Governance costs £	Totals £
Raising donations and legacies	-	-	(252)
Supporting disadvantaged children	<u>460</u>	<u>6,450</u>	<u>401,425</u>
	<u>460</u>	<u>6,450</u>	<u>401,173</u>

9. NET INCOME/(EXPENDITURE)

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

	2017 £	2016 as restated £
Auditors' remuneration	6,450	3,700
Depreciation - owned assets	<u>132</u>	<u>5,000</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 30th June 2017 nor for the year ended 30th June 2016.

Trustees' expenses

There were no trustees' expenses paid for the year ended 30th June 2017 nor for the year ended 30th June 2016.

Notes to the Consolidated Financial Statements - continued
for the year ended 30th June 2017

11. STAFF COSTS

	2017	2016 as restated
	£	£
Wages and salaries	272,009	223,832
Social security costs	22,948	22,259
Other pension costs	<u>2,387</u>	<u>-</u>
	<u>297,344</u>	<u>246,091</u>

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

	2017	2016
Charitable activities	5	4
Generating funds	2	2
Support	2	2
Governance	<u>1</u>	<u>1</u>
	<u>10</u>	<u>9</u>

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

	2017	2016
£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 as restated
	£	£	£
INCOME AND ENDOWMENTS FROM			
Donations and legacies	419,653	1,607,643	2,027,296
Other trading activities	758,271	-	758,271
Investment income	<u>1,158</u>	<u>-</u>	<u>1,158</u>
Total	1,179,082	1,607,643	2,786,725
EXPENDITURE ON			
Raising funds	505,058	-	505,058
Charitable activities			
Supporting disadvantaged children	<u>441,818</u>	<u>1,321,510</u>	<u>1,763,328</u>
Total	946,876	1,321,510	2,268,386
NET INCOME/(EXPENDITURE)	232,206	286,133	518,339

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £	Restricted funds £	Total funds as restated £
RECONCILIATION OF FUNDS			
Total funds brought forward	924,951	30,633	955,584
TOTAL FUNDS CARRIED FORWARD	<u>1,157,157</u>	<u>316,766</u>	<u>1,473,923</u>

13. PRIOR YEAR ADJUSTMENT

Kids Out UK has the right to exercise dominant influence over Kids Out Trading Limited by virtue of provisions contained within the trading company's articles. Furthermore the charity is the beneficial owner of any surplus generated by the trading company. All profits in excess of working capital requirements must be paid to the charity and any surplus upon winding up or dissolution must be paid to the charity and not the members.

In accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) gift aid payments are for accounting purposes a distribution to owners and expected gift aid payments shall not be accrued unless a legal obligation to make the payment exists at the reporting date. In previous years the anticipated gift aid payment to Kids Out UK has been included within donations in the year and as an asset at the balance sheet date. The financial statements of the charity on a stand-alone basis have been restated to include the gift aid payment as a donation in the accounting period when payment was actually made. The restatement has reduced unrestricted reserves of the charity at 30 June 2016 by £114,017 and has reduced the charity's debtors by the same amount. This adjustment has not impacted the consolidated figures.

In previous years consolidated financial statements were not produced contrary to applicable accounting standards. The comparative figures have been restated to include the results of the trading subsidiary.

14. TANGIBLE FIXED ASSETS (also comprising that of the group)

	Freehold property £	Computer equipment £	Totals £
COST			
At 1st July 2016	-	84,277	84,277
Additions	312,442	4,767	317,209
Disposals	<u>-</u>	<u>(10,602)</u>	<u>(10,602)</u>
At 30th June 2017	<u>312,442</u>	<u>78,442</u>	<u>390,884</u>
DEPRECIATION			
At 1st July 2016	-	84,277	84,277
Charge for year	-	132	132
Eliminated on disposal	<u>-</u>	<u>(10,602)</u>	<u>(10,602)</u>
At 30th June 2017	<u>-</u>	<u>73,807</u>	<u>73,807</u>
NET BOOK VALUE			
At 30th June 2017	<u>312,442</u>	<u>4,635</u>	<u>317,077</u>
At 30th June 2016	<u>-</u>	<u>-</u>	<u>-</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 2017**15. STOCKS**

	2017 £	2016 £
Stocks	<u>492,084</u>	<u>316,766</u>

All stocks are held by the charity

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Charity 2017 £	Charity 2016 as restated £	Group 2017 £	Group 2016 as restated £
Trade debtors	44,867	47,774	112,247	111,669
Other debtors	8,768	14,000	8,768	14,000
Kids Out Trading Limited	14,024	62,944	-	-
VAT	-	-	648	-
Prepayments and accrued income	<u>1,225</u>	<u>5,983</u>	<u>3,423</u>	<u>12,025</u>
	<u>68,884</u>	<u>130,701</u>	<u>125,086</u>	<u>137,694</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Charity 2017 £	Charity 2016 as restated £	Group 2017 £	Group 2016 as restated £
Trade creditors	54,705	18,693	107,618	75,860
Social security and other taxes	-	7,899	-	7,899
VAT	-	-	-	15,448
Other creditors	7,368	-	7,368	-
Accruals and deferred income	<u>30,017</u>	<u>55,019</u>	<u>67,488</u>	<u>86,161</u>
	<u>92,090</u>	<u>81,611</u>	<u>182,874</u>	<u>185,368</u>

18. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2017 £	2016 £
Within one year (charity only)	<u>-</u>	<u>15,000</u>

19. MOVEMENT IN FUNDS

	At 1/7/16 as restated £	Net movement in funds £	At 30/6/17 £
Unrestricted funds			
General fund	1,157,157	(62,121)	1,095,036
Restricted funds			
Toy Box	316,766	175,318	492,084
TOTAL FUNDS	<u>1,473,923</u>	<u>113,197</u>	<u>1,587,120</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	976,876	(1,038,997)	(62,121)
Restricted funds			
Toy Box	435,538	(260,220)	175,318
Fun Days	1,126,069	(1,126,069)	-
Sensory Rooms	13,197	(13,197)	-
	<u>1,574,804</u>	<u>(1,399,486)</u>	<u>175,318</u>
TOTAL FUNDS	<u>2,551,680</u>	<u>(2,438,483)</u>	<u>113,197</u>

Toy Box

Box of toys delivered to children from refugees 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.

20. RELATED PARTY DISCLOSURES

Kids Out Trading Limited

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

The key management personnel of the charity is the Chief Executive Officer whose employee benefits total £111,257 (2016 - £110,000).

