

Charity Registration No. 1075789  
Charity Registration No. SC039477 (Scotland)  
Company Registration No. 03636219 (England and Wales)

**KIDS OUT UK**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

# KIDS OUT UK

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	C Adcock	(appointed 1 July 2016)
	J Bhandal	(appointed 1 January 2016, resigned 21 July 2016)
	P Blom	
	B Buckley	
	R Burgess	
	S Cartwright	
	P Child	
	J Cummins	(resigned 21 October 2015)
	C Davies	(appointed 1 January 2016)
	T Dodge	
	S Glancey	
	K Green	
	J Harkness	
	E Judge	(appointed 20 January 2016)
	C Lawes	(resigned 20 April 2016)
	S Linares	
S O'Brien OBE		
G O'Hagan		
H Pitcher OBE (Chair)		
F Rodford		
N Richmond	(resigned 21 October 2015)	
J Webb		
M Westcott	(resigned 23 November 2015)	
A Wills CBE		
<b>Secretary</b>	C Davies	
<b>Chief Executive</b>	G Moulds CBE	
<b>Charity number</b>	1075789	
<b>Company number</b>	03636219	
<b>Registered office</b>	14 Church Square Leighton Buzzard Bedfordshire LU7 1AE	
<b>Auditor</b>	Hills & Burgess 20 Bridge Street Leighton Buzzard Bedfordshire LU7 1AL	
<b>Bankers</b>	Bank of Scotland 38 St Andrews Square Edinburgh EH2 2YR	

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# KIDS OUT UK

## LEGAL AND ADMINISTRATIVE INFORMATION

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### Solicitors

Matthew Arnold & Baldwin  
25 Southampton Buildings  
London  
WC2A 1AL

Wragge & Co LLP  
55 Colmore Row  
Birmingham  
B3 2AS

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# KIDS OUT UK

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# KIDS OUT UK

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 30 JUNE 2016

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The trustees present their report and accounts for the year ended 30 June 2016.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's [governing document], the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)"

#### **Objectives and activities**

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

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.

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.

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.

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 1000 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 200 volunteers do sponsored events on behalf of KidsOut. Our Christmas appeal and Christmas parties rely on about 3 to 500 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 70 volunteers help at the trolley dash at the Toy fair. We only had one Toy box pack involving 20 volunteers. Within KidsOut office we had 10 active volunteers mainly doing recording of toys and gift aid.

# KIDS OUT UK

## TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

**FOR THE YEAR ENDED 30 JUNE 2016**

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### **Achievements and performance**

For the second year in a row, it was a record year in terms of the number of disadvantaged children supported by KidsOut. The rapid growth of KidsOut and their children services' statistics are very impressive indeed. Some 2500 more children attended the National KidsOut Rotary Day with a record 29130 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, clothes, playroom toys, Christmas presents, refuge refurbishments and toy boxes all for the benefit of refuge children. The Fun Day initiative provided a staggering 20371 children with a superb day out. Three 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. World Stories continued to grow at a phenomenal pace with 3334 teachers and 319185 children registered; work has started on a 3 year initiative to transform World Stories into an online learning platform supporting educators and learners around the globe. The new World Stories website is set to go live in March/April 2017 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.

Of note, what the statistics hide is the fact that not only did KidsOut increase the number of children supported but that the support itself was of a very different quality and of much more focussed benefit for refuge children in particular. For example, their workshop initiative delivered real tangible benefits to the children participating and a disadvantaged child is now not just getting a once off activity but also being provided additional and follow on services. To maximise the benefit to children, KidsOut now partners with a number of charities and organisations, for example: KidsOut partnered the Rainbow Trust and provided a Fun Day out for all children who have a parent or sibling terminally ill in a hospice; KidsOut provided the day out and extras, while the Rainbow Trust provided councillors and the transport.

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 Chairs' 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.

The reserve policy during the year was as per the Charity Commission guidance as at 1 July 2015.

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). Due to 4 major events being held in the last 6 weeks of the financial year netting some £350k and the £75k contingency fund not being required in year, the charity is in a sound financial position going into financial year 2016. It should be noted that an office move is likely in 2017, therefore, £100k will be ring fenced to cover dilapidation costs and moving expenses. All excess funds have been allocated for spend on children's services this financial year.

With falling interest rates, consideration being given to purchase premises and a requirement to increase reserves (due to the rapid expansion of children's services). Trustees are conducting a full investment policy review.

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.

# KIDS OUT UK

## TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 30 JUNE 2016

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### Plans for 2016/2017

For the year July 2016 to June 2017, 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 Phyzzpod sensory rooms to special needs schools and refurbish 2 others.
- Working with Giglets Education, over the next 3 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 Christmas parties around the country for over 2,000 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

The charity is a company limited by guarantee.

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

C Adcock  
J Bhandal  
P Blom  
B Buckley  
R Burgess  
S Cartwright  
P Child  
J Cummins  
C Davies  
T Dodge  
S Glancey  
K Green  
J Harkness  
E Judge  
C Lawes  
S Linares  
S O'Brien OBE  
G O'Hagan  
H Pitcher OBE (Chair)  
F Rodford  
N Richmond  
J Webb  
M Westcott  
A Wills CBE

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# KIDS OUT UK

## TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

**FOR THE YEAR ENDED 30 JUNE 2016**

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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.

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.

### **Employee involvement**

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.

### **Disabled persons**

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.

### **Auditor**

In accordance with the company's articles, a resolution proposing that Hills & Burgess be reappointed as auditor of the company will be put at a General Meeting.

The trustees' report was approved by the Board of Trustees.

### **H Pitcher**

Trustee

Dated: 26 January 2017



# KIDS OUT UK

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

***FOR THE YEAR ENDED 30 JUNE 2016***

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The trustees, who are also the directors of Kids Out UK for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, 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 have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 charity and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# KIDS OUT UK

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KIDS OUT UK

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We have audited the financial statements of Kids Out UK for the year ended 30 June 2016 set out on pages 8 to 20. 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.

This report is made solely to the charity's trustees, as a body, in accordance with 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 charity's trustees 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 charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditor**

As explained more fully in the statement of trustees' responsibilities set out on page 5, the trustees, who are also the directors of Kids Out UK for the purposes of company law are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

The trustees have elected for the accounts to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the accounts**

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Basis for qualified opinion arising from limitation in audit scope on accounts.**

The evidence available to us was limited because there was no system of control on which we could rely for the purpose of our audit in respect of the stock valuation of £316,766. There were no other satisfactory audit procedures that we could adopt to confirm that stocks were properly recorded.

### **Qualified opinion on accounts.**

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2016 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; and
- the accounts have been prepared in accordance with the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

# KIDS OUT UK

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF KIDS OUT UK

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

In respect solely of the limitation on our work relating to stock described above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records had been maintained.

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 Trustees' Report is inconsistent in any material respect with the accounts; or
- the accounts 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.

**J Roberts (Senior Statutory Auditor)**  
**for and on behalf of Hills & Burgess**

27 January 2017

**Chartered Accountants**  
**Statutory Auditor**

20 Bridge Street  
Leighton Buzzard  
Bedfordshire  
LU7 1AL

Hills & Burgess is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

# KIDS OUT UK

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2016

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	Notes	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
<b><u>Income from:</u></b>					
Voluntary income	3	496,160	1,607,643	2,103,803	1,619,746
Other trading activities	4	345,107	-	345,107	415,460
Investments	5	1,158	-	1,158	1,144
<b>Total income</b>		<b>842,425</b>	<b>1,607,643</b>	<b>2,450,068</b>	<b>2,036,350</b>
<b><u>Expenditure on:</u></b>					
Raising funds	6	168,401	-	168,401	206,525
Charitable activities	7	441,818	1,321,510	1,763,328	1,602,658
<b>Total resources expended</b>		<b>610,219</b>	<b>1,321,510</b>	<b>1,931,729</b>	<b>1,809,183</b>
<b>Net income for the year/ Net movement in funds</b>		<b>232,206</b>	<b>286,133</b>	<b>518,339</b>	<b>227,167</b>
Fund balances at 1 July 2015		925,264	30,633	955,897	728,730
<b>Fund balances at 30 June 2016</b>		<b>1,157,470</b>	<b>316,766</b>	<b>1,474,236</b>	<b>955,897</b>

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The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# KIDS OUT UK

## BALANCE SHEET

AS AT 30 JUNE 2016

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	Notes	2016 £	£	2015 £	£
<b>Fixed assets</b>					
Tangible assets	12		-		5,000
<b>Current assets</b>					
Stocks	14	316,766		-	
Debtors	15	244,718		146,843	
Cash at bank and in hand		994,363		851,686	
		<u>1,555,847</u>		<u>998,529</u>	
<b>Creditors: amounts falling due within one year</b>	16	<u>(81,611)</u>		<u>(47,632)</u>	
Net current assets			1,474,236		950,897
<b>Total assets less current liabilities</b>			<u>1,474,236</u>		<u>955,897</u>
<b>Income funds</b>					
Restricted funds	17		316,766		30,633
Unrestricted funds			1,157,470		925,264
			<u>1,474,236</u>		<u>955,897</u>

The trustees' responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The accounts were approved by the Trustees on 26 January 2017

H Pitcher  
Trustee

Company Registration No. 03636219

# KIDS OUT UK

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2016

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	Notes	2016 £	£	2015 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	20		141,519		196,639
<b>Investing activities</b>					
Interest received		1,158		1,144	
<b>Net cash generated from investing activities</b>			1,158		1,144
<b>Net cash used in financing activities</b>			-		-
<b>Net increase in cash and cash equivalents</b>			142,677		197,783
Cash and cash equivalents at beginning of year			851,686		653,903
<b>Cash and cash equivalents at end of year</b>			994,363		851,686

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# KIDS OUT UK

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2016

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#### 1 Accounting policies

##### 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.

#### 1.1 Accounting convention

These accounts have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS 102, the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015. The charity is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These accounts for the year ended 30 June 2016 are the first accounts of Kids Out UK prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 July 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

#### 1.2 Going concern

At the time of approving the accounts, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees' continue to adopt the going concern basis of accounting in preparing the accounts.

#### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

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 available for use at the discretion of the trustees in furtherance of the charitable objectives of the charity.

#### 1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

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.

# KIDS OUT UK

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2016

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#### 1 Accounting policies

(Continued)

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

#### 1.5 Resources expended

Expenditure is recognised when it is incurred and is reported gross of related income. Expenditure includes VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is provided on all tangible assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:

Fixtures, fittings & equipment	3 years straight line
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

#### 1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/(expenditure) for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured at cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.



# KIDS OUT UK

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

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### 1 Accounting policies

(Continued)

#### 1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

#### 1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

# KIDS OUT UK

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

### 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Voluntary income

	Unrestricted funds	Restricted funds	Total 2016	Total 2015
	£	£	£	£
Donations and gifts	470,052	1,583,252	2,053,304	1,618,746
Legacies receivable	3,208	-	3,208	1,000
Grants receivable	22,900	24,391	47,291	-
	<u>496,160</u>	<u>1,607,643</u>	<u>2,103,803</u>	<u>1,619,746</u>
<b>For the year ended 30 June 2015</b>	<u>364,096</u>	<u>1,255,650</u>		<u>1,619,746</u>

### 4 Other trading activities

	2016	2015
	£	£
Non-charitable trading activities	<u>345,107</u>	<u>415,460</u>

### 5 Investments

	2016	2015
	£	£
Interest receivable	<u>1,158</u>	<u>1,144</u>

# KIDS OUT UK

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2016

### 6 Raising funds

	2016	2015
	£	£
<u>Costs of generating voluntary income</u>		
Staging fundraising events	19,275	50,581
Staff costs	58,523	53,606
	<hr/>	<hr/>
Costs of generating voluntary income	77,798	104,187
	<hr/>	<hr/>
<u>Fundraising trading: costs of goods sold and other costs</u>		
Other trading activities	90,603	102,338
	<hr/>	<hr/>
	168,401	206,525
	<hr/>	<hr/>
<b>For the year ended 30 June 2015</b>		
Costs of generating voluntary income		104,187
Fundraising trading: costs of goods sold and other costs		102,338
		<hr/>
		206,525
		<hr/>

### 7 Charitable activities

	2016	2015
	£	£
Staff costs	117,045	107,213
Charitable expenditure	1,473,313	1,315,515
	<hr/>	<hr/>
	1,590,358	1,422,728
	<hr/>	<hr/>
Share of support costs (see note 8)	172,970	179,930
	<hr/>	<hr/>
	1,763,328	1,602,658
	<hr/>	<hr/>

# KIDS OUT UK

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2016

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8 Support costs	Support costs £	Governance costs £	2016 £	2015 £
Staff costs	70,523	-	70,523	65,606
Depreciation	5,000	-	5,000	5,000
Other costs	93,747	3,700	97,447	109,324
	<u>169,270</u>	<u>3,700</u>	<u>172,970</u>	<u>179,930</u>
Analysed between				
Charitable activities	<u>169,270</u>	<u>3,700</u>	<u>172,970</u>	<u>179,930</u>

Governance costs includes payments to the auditors of £3,690 (2015- £3,250) for audit fees and £520 (2015- £1,820) for other services.

### 9 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year. They were reimbursed a total of £nil expenses (2015- £nil).

# KIDS OUT UK

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2016

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### 10 Employees

#### Number of employees

The average monthly number employees during the year was:

	<b>2016</b>	<b>2015</b>
	<b>Number</b>	<b>Number</b>
Charitable activities	4	4
Generating funds	2	2
Support	2	2
Governance	1	1
	<u>9</u>	<u>9</u>

#### Employment costs

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Wages and salaries	246,091	226,425
	<u>246,091</u>	<u>226,425</u>

The number of employees whose annual remuneration was £60,000 or more were:

	<b>2016</b>	<b>2015</b>
	<b>Number</b>	<b>Number</b>
£100,000 and £110,000	<u>1</u>	<u>1</u>

Of the employees whose emoluments exceed £60,000, none (2015: none) have retirement benefits accruing under defined benefit pension schemes.

### 11 Taxation

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

# KIDS OUT UK

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2016

12 Tangible fixed assets	Fixtures, fittings & equipment £	
<b>Cost</b>		
At 1 July 2015		73,675
At 30 June 2016		<u>73,675</u>
<b>Depreciation and impairment</b>		
At 1 July 2015		68,675
Depreciation charged in the year		5,000
At 30 June 2016		<u>73,675</u>
<b>Carrying amount</b>		
At 30 June 2015		<u>5,000</u>
		<u><u>5,000</u></u>
<b>13 Financial instruments</b>	<b>2016</b>	<b>2015</b>
	£	£
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	238,735	117,528
	<u>238,735</u>	<u>117,528</u>
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	18,693	20,352
	<u>18,693</u>	<u>20,352</u>
<b>14 Stocks</b>	<b>2016</b>	<b>2015</b>
	£	£
Finished goods and goods for resale	316,766	-
	<u>316,766</u>	<u>-</u>
<b>15 Debtors</b>	<b>2016</b>	<b>2015</b>
<b>Amounts falling due within one year:</b>	<b>£</b>	<b>£</b>
Trade debtors	47,774	53,194
Amounts due from associate undertakings	176,961	54,406
Other debtors	14,000	9,928
Prepayments and accrued income	5,983	29,315
	<u>244,718</u>	<u>146,843</u>
	<u><u>244,718</u></u>	<u><u>146,843</u></u>

# KIDS OUT UK

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2016

#### 16 Creditors: amounts falling due within one year

	2016 £	2015 £
Other taxation and social security	7,899	2,283
Trade creditors	18,693	20,352
Accruals and deferred income	55,019	24,997
	<u>81,611</u>	<u>47,632</u>

#### 17 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 July 2015 £	Movement in funds		Balance at 30 June 2016 £
		Incoming resources £	Resources expended £	
Toy Box	-	448,631	(131,865)	316,766
Phyzzpod special school	237	-	(237)	-
Fun days	23,396	1,134,621	(1,158,017)	-
Paskin Children's Trust	7,000	-	(7,000)	-
	<u>30,633</u>	<u>1,583,252</u>	<u>(1,297,119)</u>	<u>316,766</u>

##### Toy Box

Box of toys delivered to children from refugees who have escaped domestic violence.

##### Phyzzpod special school

The provision of a sensory room to a Special school.

##### Fun days

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

##### Paskin Children's Trust

The Paskin Children's Trust has agreed to a 50/50 cost sharing with Kids Out UK to provide sensory room upgrades and teacher training for up to 4 sensory rooms.

#### 18 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 30 June 2016 are represented by:			
Current assets/(liabilities)	1,157,470	316,766	1,474,236
	<u>1,157,470</u>	<u>316,766</u>	<u>1,474,236</u>

# KIDS OUT UK

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2016

#### 19 Related party transactions

##### Remuneration of key management personnel

The remuneration of key management personnel, who are also directors, is as follows.

	2016 £	2015 £
Aggregate compensation	110,000	110,000

No guarantees have been given or received.

During the year one trustee of Kids Out UK was a director of Kids Out Trading Limited, a UK company. The company raises funds on behalf of the charity. The company paid the charity a management charge for costs incurred on its behalf of £45,000 (2015 - £42,785) and also a donation of £114,017 (2015 - £82,150). As at 30 June 2016 the company owed Kids Out UK £176,961 (2015 - £54,406).

#### 20 Cash generated from operations

	2016 £	2015 £
Surplus for the year	518,339	227,167
Adjustments for:		
Investment income recognised in profit or loss	(1,158)	(1,144)
Depreciation and impairment of tangible fixed assets	5,000	5,000
Movements in working capital:		
(Increase) in stocks	(316,766)	-
(Increase)/decrease in debtors	(97,875)	8,673
Increase/(decrease) in creditors	33,979	(43,057)
<b>Cash generated from operations</b>	<b>141,519</b>	<b>196,639</b>

#### 21 Operating lease commitments

##### Lessee

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

Within one year £15,000