

Charity Registration No. 1075789
Charity Registration No. SC039477 (Scotland)

Company Registration No. 3636219 (England and Wales)

KIDS OUT UK
TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2011

KIDS OUT UK

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

B Buckley

S Dunn

J Evans

S Glancey

K Green

W Hill

P G Jarvis

J Mee

H Pitcher

(Chair)

A Williams

(resigned 6 July 2011)

A Wills

A Wilson

Secretary

S Koussari

Chief Executive

D Cosham

Charity number

1075789 England and Wales
SC039477 Scotland

Company number

3636219

Registered office

14 Church Square
Leighton Buzzard
Bedfordshire
LU7 1AE

Auditors

Hills & Burgess
20 Bridge Street
Leighton Buzzard
Bedfordshire
LU7 1AL

KIDS OUT UK

LEGAL AND ADMINISTRATIVE INFORMATION

Bankers

Bank of Scotland
38 St Andrews Square
Edinburgh
EH2 2YR

Solicitors

Matthew Arnold & Baldwin
25 Southampton Buildings
London
WC2A 1AL

KIDS OUT UK

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KIDS OUT UK

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 JUNE 2011

The trustees present their report and accounts for the year ended 30 June 2011.

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, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005.

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:

B Buckley
S Dunn
J Evans
S Glancey
K Green
W Hill
P G Jarvis
J Mee
H Pitcher (Chair)
A Williams
A Wills
A Wilson

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.

New trustees are issued with a comprehensive pack briefing them on their responsibilities and legal obligations plus key information about the charity such as the Memorandum and Articles of Association and the Strategic Plan. Regular briefing sessions are held at trustee meetings on topics suggested by them or the Chief Executive to ensure all trustees are kept up to date with relevant issues. Visits to the charity's head office or projects it supports are arranged regularly where appropriate.

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 and the Director of Services to facilitate operations including finance, fundraising, project development and service provision and employment.

The Chief Executive is seconded to KidsOut by BT plc for a period of two years, ending 30 September 2012.

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)

FOR THE YEAR ENDED 30 JUNE 2011

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. Kids Out provides a wide range of positive experiences to support these children to become future members of our workforce including:

- 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 use the phrase "Fun and Happiness" to encapsulate the types of activities we provide and promote, 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.

Achievements and performance

The goals set for the year ending 30 June 2011 were to:

- expand the financial support received from UK businesses
- maintain delivery of Children's Services
- investigate the provision of new services

In particular, to:

- establish new fund-raising events in Manchester and Glasgow
- ensure the smooth transition of the packing and distribution of the Toy Boxes from DHL to a new partner, while maintaining the confidentiality and safety of the children, mothers and Women's Aid refugees involved
- prepare for the launch of the "Stories Go Global" project (now renamed "World Stories")
- thoroughly assess the value of Phyzzpods via independent research
- continue to research need and explore how we can contribute to meeting the need of disadvantaged children and their families

Progress

- funds raised through corporate supporters have grown in the year with new fund-raising events established in Manchester and Glasgow
- delivery of Children's Services has been maintained and growth plans prepared for the coming year
- funding for the World Stories has been secured from the Esmee Fairbairn Foundation and the Big Lottery Fund. Delivery of this project has begun with the new website due to go live in September 2011
- the arrangement with DHL to support the Toy Box scheme expires in December 2011. We are delighted that FedEx has agreed to provide an equivalent service.

Financial review

Despite continuing economic difficulty, income for corporate fund raising events has grown. The charity has benefited from being appointed "Charity of the Year" by Travelodge, which is producing a substantial new source of funding for the year.

KIDS OUT UK

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2011

Organisational review

After a period of consolidation, the charity has begun to recruit staff to support its growth plans. Carol Stewart joined as Director of Children's Services and is bringing her experience to bear on our development plans. We expect to appoint a Director of Fund Raising in the coming year to support our ambitions to identify and secure new sources of funding.

We are grateful for the support of local and national volunteers, especially those who form our fund raising committees.

We continue to consult beneficiaries and potential beneficiaries, our peers and current and potential partners, to ensure that all our work is effective.

Plans for the future

We have set ambitious but realistic growth targets for the coming year based on the increasing support we receive from companies and individuals. As ever, we aim to exceed those targets. For the year July 2011 - June 2012 we aim to:

- deliver growth plans for the Toy Box scheme to provide a truly national coverage
- delivery the first phase of "World Stories," with stories available on our new website in multiple languages, and in English translations
- pilot "KidsOut Get Active," a collaborative project with Active Soccer which provides an exciting football competition for disadvantaged children from schools across the UK
- expand the Rotary Day Out scheme to involve more Rotary Clubs across the UK.

Disclosure of information to auditors

Each of the directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

Auditors

A resolution proposing that Hills & Burgess be reappointed as auditors of the company will be put to the members.

On behalf of the board of trustees

H Pitcher (Chair)

Trustee

Dated: 17 October 2011

KIDS OUT UK

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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; 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 AUDITORS' REPORT TO THE TRUSTEES OF KIDS OUT UK

We have audited the accounts of Kids Out UK for the year ended 30 June 2011 set out on pages 7 to 15. 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).

This report is made solely to the charity's trustees, as a body, in accordance with section 43 of the Charities Act 1993 and regulations made under section 44 of that Act and 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 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 charitable company 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 auditors

As explained more fully in the statement of trustees' responsibilities, 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 1993 rather than the Companies Act 2006. Accordingly we have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 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 charity'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. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standard - Provisions Available for Small Entities, in the circumstances set out in note 17 to the accounts.

Opinion on accounts

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2011 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
- 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.

KIDS OUT UK

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE TRUSTEES OF KIDS OUT UK

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 1993 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 charitable company has not kept adequate accounting records; 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 BA(Hons) FCA (Senior Statutory Auditor)
for and on behalf of Hills & Burgess

Chartered Accountants

Statutory Auditor

20 Bridge Street
Leighton Buzzard
Bedfordshire
LU7 1AL

Dated: 17 October 2011

KIDS OUT UK

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2011

	Notes	Unrestricted funds £	Restricted funds £	Total 2011 £	Total 2010 £
<u>Incoming resources from generated funds</u>					
Voluntary income	2	190,292	103,234	293,526	522,733
Activities for generating funds	3	350,503	-	350,503	58,197
Investment income	4	1,516	-	1,516	1,482
		<u>542,311</u>	<u>103,234</u>	<u>645,545</u>	<u>582,412</u>
Other incoming resources	5	-	-	-	50
Total incoming resources		<u>542,311</u>	<u>103,234</u>	<u>645,545</u>	<u>582,462</u>
<u>Resources expended</u>					
Costs of generating funds					
Costs of generating voluntary income		57,287	-	57,287	87,720
Fundraising trading: costs of goods sold and other costs	3	202,437	-	202,437	58,197
		<u>259,724</u>	<u>-</u>	<u>259,724</u>	<u>145,917</u>
Charitable activities					
Charitable activities		254,517	52,641	307,158	403,521
Governance costs		14,890	-	14,890	14,955
Total resources expended		<u>529,131</u>	<u>52,641</u>	<u>581,772</u>	<u>564,393</u>
Net income for the year/ Net movement in funds		<u>13,180</u>	<u>50,593</u>	<u>63,773</u>	<u>18,069</u>
Fund balances at 1 July 2010		<u>437,982</u>	<u>-</u>	<u>437,982</u>	<u>419,913</u>
Fund balances at 30 June 2011		<u><u>451,162</u></u>	<u><u>50,593</u></u>	<u><u>501,755</u></u>	<u><u>437,982</u></u>

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 2011

	Notes	2011 £	£	2010 £	£
Current assets					
Debtors	12	133,217		142,613	
Cash at bank and in hand		421,069		324,186	
		<u>554,286</u>		<u>466,799</u>	
Creditors: amounts falling due within one year					
	13	<u>(52,531)</u>		<u>(28,817)</u>	
Total assets less current liabilities					
		<u>501,755</u>		<u>437,982</u>	
Income funds					
Restricted funds	14	50,593		-	
Unrestricted funds		<u>451,162</u>		<u>437,982</u>	
		<u>501,755</u>		<u>437,982</u>	

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 30 June 2011, although an audit has been carried out under section 43 of the Charities Act 1993. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these accounts under the requirements of the Companies Act 2006.

The directors acknowledge their responsibilities for ensuring that the company 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.

The accounts were approved by the Board on 17 October 2011

H Pitcher (Chair)
Trustee

Company Registration No. 3636219

KIDS OUT UK

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2011

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention.

The accounts have been prepared in accordance with applicable accounting standards, the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005 and the Companies Act 2006.

1.2 Incoming resources

Grants, including grants for the purchase of fixed assets, are recognised in full in the statement of financial activities in the year in which they are received or the year in which they are receivable, whichever is the earlier, unless they relate to a specified future period, in which case they are deferred.

Voluntary income is received by way of donations and gifts and is recognised in full in the statement of financial activities when receivable. Donated services and facilities are included at the value to the charity if it can be quantified. Volunteer time is not included in the financial statements.

1.3 Resources expended

Costs of generating funds comprises the costs associated with attracting voluntary income and the costs of other income generation.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements.

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.

Support costs include the central functions and have been allocated to activity cost categories based on the cost of staff time spent on each activity.

1.4 Tangible fixed assets and depreciation

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:

Computer equipment	written off in year of purchase
Fixtures, fittings & equipment	3 years straight line

Expenditure on tangible fixed assets has been capitalised only if the cost of an individual item exceeds £1,000.

1.5 Leasing and hire purchase commitments

All leases of equipment are considered to be operating leases, and rentals are recognised in the statement of financial activities on a straight line basis over the length of the lease. No assets are held under hire purchase agreements.

KIDS OUT UK

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2011

1 Accounting Policies (continued)

1.6 Accumulated funds

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

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.

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

2 Voluntary income

	Unrestricted funds £	Restricted funds £	Total 2011 £	Total 2010 £
Donations and gifts	189,959	35,796	225,755	343,512
Legacies receivable	333	-	333	7,119
Grants receivable for core activities	-	67,438	67,438	172,102
	<u>190,292</u>	<u>103,234</u>	<u>293,526</u>	<u>522,733</u>

DHL donated storage and delivery of boxes, for use in the Toy Box project, which was valued at £16,150 for the purpose of the financial statements.

3 Activities for generating funds

	2011 £	2010 £
Activities for generating funds	350,503	58,197
Fundraising trading: costs of goods sold and other costs	(202,437)	(58,197)
Net Activities for generating funds	<u>148,066</u>	<u>-</u>

4 Investment income

	2011 £	2010 £
Interest receivable	<u>1,516</u>	<u>1,482</u>

KIDS OUT UK

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2011

5 Other incoming resources

	Total 2011 £	Total 2010 £
Other income	-	50

6 Total resources expended

	Staff costs £	Other costs £	Total 2011 £	Total 2010 £
Costs of generating funds				
Costs of generating voluntary income	33,127	24,160	57,287	87,720
Fundraising trading: costs of goods sold and other costs	-	202,437	202,437	58,197
Total	33,127	226,597	259,724	145,917
Charitable activities				
<u>Charitable activities</u>				
Activities undertaken directly	66,255	115,141	181,396	295,302
Support costs	71,925	53,837	125,762	108,219
Total	138,180	168,978	307,158	403,521
Governance costs	12,000	2,890	14,890	14,955
	183,307	398,465	581,772	564,393

Governance costs includes payments to the auditors of £2,500 (2010: £2,500) for audit fees and £455 (2010: £500) for other services.

7 Support costs

	2011 £	2010 £
Other costs	53,837	61,885
Staff costs	71,925	46,334
	125,762	108,219

KIDS OUT UK

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2011

8 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 (2010: £nil).

9 Employees

Number of employees

The average monthly number of employees during the year was:

	2011	2010
	Number	Number
Charitable activities	3	4
Costs of generating funds	2	2
Support costs	1	1
Governance costs	1	1
	<hr/> 7 <hr/>	<hr/> 8 <hr/>

Employment costs

	2011	2010
	£	£
Wages and salaries	183,307	144,914
	<hr/> 183,307 <hr/>	<hr/> 144,914 <hr/>

Wages and salaries includes severance payments of £10,000 to a former employee and £28,798 to the former chief executive.

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

	2011	2010
	Number	Number
£60,000 and £70,000	-	1
£80,000 and £90,000	1	-
	<hr/> 1 <hr/>	<hr/> - <hr/>

Of the employees whose emoluments exceed £60,000, none (2010: none) have retirement benefits accruing under defined benefit pension schemes.

10 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 ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2011

11 Tangible fixed assets

	Fixtures, fittings & equipment £
Cost	
At 1 July 2010 and at 30 June 2011	<u>58,675</u>
Depreciation	
At 1 July 2010 and at 30 June 2011	<u>58,675</u>
Net book value	
At 30 June 2011	<u>-</u>
At 30 June 2010	<u>-</u>

12 Debtors

	2011 £	2010 £
Trade debtors	28,399	400
Amounts owed by Kids Out Trading Limited	80,892	134,523
Other debtors	16,826	450
Prepayments and accrued income	7,100	7,240
	<u>133,217</u>	<u>142,613</u>

13 Creditors: amounts falling due within one year

	2011 £	2010 £
Trade creditors	23,669	14,971
Taxes and social security costs	2,838	5,984
Accruals	26,024	7,862
	<u>52,531</u>	<u>28,817</u>

KIDS OUT UK

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2011

14 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 2010	Movement in funds		Balance at 30 June 2011
		Incoming resources	Resources expended	
Stories go Global (also known as World Stories)	-	67,438	(16,845)	50,593
Toy Boxes	-	13,008	(13,008)	-
Stories by Starlight	-	6,638	(6,638)	-
	<u>-</u>	<u>87,084</u>	<u>(36,491)</u>	<u>50,593</u>

Stories go Global (World Stories)

Stories go Global (World Stories) is the collection of stories in the 20 languages most commonly spoken and translated into English. The stories aim to help children understand the structures of their languages, learn about each other's culture and begin to have a deeper understanding of the wider world. Funding for this project has been obtained from Esmee Fairbairn Foundation and Big Lottery Fund.

Toy Box donations

Restricted income for this project was from small grants and individual donors and was used to purchase toys. In-kind support with a value of £16,150 from DHL provided the boxes for the toys, warehousing and delivery.

Stories by Starlight

The Stories by Starlight project ran in December 2010. Using the artistic input of a number of professionals, festive stories were brought to life with special lighting and sound effects. Hosted by Henley Business School, children enjoyed listening to the stories along a twilight walk through their gardens. Refreshments were provided and almost a thousand children from nearby schools enjoyed the experience of a lifetime.

15 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 30 June 2011 are represented by:			
Current assets	503,693	50,593	554,286
Creditors: amounts falling due within one year	(52,531)	-	(52,531)
	<u>451,162</u>	<u>50,593</u>	<u>501,755</u>

KIDS OUT UK

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2011

16 Related parties

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. In addition to paying the charity a management charge for costs incurred on its behalf by the charity the company also makes a gift aid donation to the charity on an annual basis.

The management charge for the year to 30 June 2011 was £41,714 (2010: £58197) and the gift aid donation for the same period was £nil (2010: £115,799).

17 Auditors' Ethical Standards

The relevant circumstances requiring disclosure in accordance with the requirements of APB Ethical Standard - Provisions Available for Small Entities are that, in common with many charities of our size and nature we use our auditors to assist with the preparation of the accounts.