

Company number: 4604379
Charity number: 1096492

ReachOut Youth

Report and financial statements
For the year ended 31 August 2016

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ReachOut Youth

Reference and administrative information

For the year ended 31 August 2016

Company number 4604379

Charity number 1096492

Registered office & operational address Ground Floor
26–28 Ramsgate Street
LONDON
E8 2NA

Trustees Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Shardaé Carr	appointed 11 November 2015
Charmaine Chow	appointed 11 November 2015
Sophia Corpas	
Joseph Haig	resigned 26 October 2015
Edmund Lehmann	
Mark Wakefield	appointed 11 November 2015

Company Secretary Xavier Bosch resigned 1 May 2016
Frances Ellis appointed 1 May 2016

Key management personnel	Peter Blackwell	Chief Executive
	Heidi Exell	Manchester Director
	Frances Ellis	Operations Director
	Alison Braybrooks	Fundraising & Impact Director

Bankers RBS
38 Mosley Street
MANCHESTER
M2 3AZ

The Co-operative Bank
PO Box 250
SKELMERSDALE
WN8 6WT

Solicitors Mishcon de Reya
Africa House
70 Kingsway
LONDON
WC2B 6AH

ReachOut Youth

Reference and administrative information

For the year ended 31 August 2016

Morgan, Lewis & Bockius
Condor House
5-10 St. Paul's Churchyard
LONDON
EC4M 8AL

**Independent
Examiner**

Joanna Pittman
Sayer Vincent LLP
Chartered Accountants and Statutory Auditors
Invicta House
108-114 Golden Lane
LONDON
EC1Y 0TL

The Trustees present their report and financial statements for the year ended 31 August 2016.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives and activities

Purposes and aims

Principal objects

The principal objects of the charity are to promote educational opportunity, social responsibility and multicultural awareness amongst children and young people, primarily in inner city areas and to provide facilities in the interests of social welfare for recreation and leisure time occupation with the object of improving the conditions of life for the said children and young people.

How our activities deliver public benefit

ReachOut is a mentoring charity working with children in disadvantaged communities to raise aspirations and help them grow in character and attainment.

We improve self-confidence and develop Numeracy, Literacy and Communication, whilst reinforcing our core character strengths of Fairness, Self-Control, Good Judgement and Staying Power.

We do this through one-to-one mentoring with positive role models and team activities, to promote leadership, trust and responsibility.

The charity's main activities are described below. All its charitable activities focus on supporting young people through one-to-one mentoring, and are undertaken to further ReachOut's charitable purposes for the public benefit.

The Trustees review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The Trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the Trustees ensure the charity's aims, objectives and activities remained focused on its stated purposes.

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives that have been set.

ReachOut Youth

Trustees' annual report

For the year ended 31 August 2016

In the opinion of the Trustees we have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Charity Commission.

Policies to further the charity's objects

The income and property of the charity from whatever source derived are applied solely towards the promotion of its objects as set out above. No portion thereof is paid or transferred directly or indirectly by way of dividend, bonus or otherwise by way of profit to the members of the company.

Review of activities and future developments

During 2015/16 we continued to provide mentoring in London and Manchester. In line with our revised Business Plan for 2013 – 2018 we seek to continue to prioritise these two areas as there is great demand for our services.

Programmes

We continued to offer three term-time one-to-one mentoring programmes in 2015/16, each offering weekly two hour sessions to referred young people from a partner school:

- ReachOut Club (ROC) – Primary schools, for Year 5/6 pupils (aged 9 – 11)
- ReachOut Academy (ROA) – Secondary schools, for Year 7 – 11 pupils (aged 11 – 16)
- ReachOut ACE (ROACE), formerly Junior Mentors – Secondary schools, for Year 10/11 pupils (aged 14 – 16)

We also delivered ReachOut Summer Projects during August 2016 at selected schools. All our programmes are delivered in schools in areas of economic and social disadvantage.

Our mentoring programmes use long term, one-to-one mentoring to support young people to develop character. Led by paid staff who support our volunteer mentors throughout, the weekly sessions are based around academic content and fun group activities, such as football and drama. Character development is built into our sessions from start to finish – in the one-to-one conversations, the group work activities in a classroom, everything through to the warm ups in sports. We believe that developing the character of our young people is the key to helping them go on to lead good and happy lives. If we can develop their character then they will go on in turn to become successful students, employees or employers, parents etc.

ReachOut's four character strengths are Fairness, Self-Control, Staying Power and Good Judgement. Our academic work focuses on Numeracy, Literacy and Communication skills.

ReachOut Club Projects

London

- 2 x Shacklewell Primary School
- 2 x Jubilee Primary School
- 2 x Redlands Primary School
- 2 x Randal Cremer Primary School
- 1 x Carlton Primary School

ReachOut Youth

Trustees' annual report

For the year ended 31 August 2016

1 x Cayley Primary School
1 x Netley Primary School
1 x Noel Park Primary School
1 x North Harringay Primary School
1 x Rhyl Primary School
1 x Princess May Primary School
1 x St Peters London Docks Primary School

Manchester

1 x Heald Place Primary School
2 x Peel Hall Primary School
2 x St John's C of E Primary School
1 x Crosslee Community Primary School
1 x Charlestown Community Primary School
1 x Crab Lane Community Primary School

ReachOut Academy Projects

London

4 x Petchey Academy
1 x Bridge Academy
1 x Haggerston School
2 x Northumberland Park Community School
2 x Heartlands High School
2 x Bishop Challoner Catholic Federation of Schools

Manchester

2 x Our Lady's High School
2 x Barlow RC High School

ReachOut ACE Projects

London

4 x Bishop Challoner Catholic Federation of Schools
1 x Heartlands High School

Manchester

1 x Our Lady's High School

Achievements and performance

Impact

We continue to collect key data for young people and to collate statistics. Our latest key statistics are below:

Since 2011, 69% of young people eligible for free school meals that attended 10+ ReachOut sessions in Year 11 achieved 5 A*-C grades at GCSE including English and Maths. In 2014/15 just 33.1% of pupils eligible for free school meals in the UK achieved this benchmark standard for GCSE results.

Statistics for young people continuing in employment, education or training after school remain excellent at over 99% but we recognise this is less meaningful now legislation requires young people to stay in education or take up an apprenticeship after their GCSEs.

Attendance Data

We continue to record all attendance for all young people. We count young people attending 10+ sessions as 'full' mentees on our term time projects, and use these young people in our data sets for attainment and progression to employment, education or training.

The table below provides an overview of numbers of young people we supported in 2015/16.

ReachOut Club	203
ReachOut Academy	247
ReachOut ACE	44
Total Term Time	494
ReachOut Summer Projects	139
Total	633

Project Leaders

In 2015/16 we again delivered the majority of our mentoring projects using paid sessional staff, with all London projects being delivered this way and around half of our Manchester projects. This was broadly successful, and represents the most cost efficient way in which ReachOut can grow to reach more children and young people. We have identified several areas we can improve in the recruitment and training of these staff, and we will invest considerable resources in developing this model over the next year.

Our Mentors

This has been a major step forward for the organisation. Our mentors are better trained than ever before, and our staff are also better equipped to serve our young people. University students made up the bulk of our volunteer mentors, but with more professionals volunteering than ever before, partly due to expansion of evening projects in London, we were able to recruit more mentors, with a broader range of skills and experience.

Character, Academic Attainment & Mentoring

ReachOut is now amongst the sector leaders in the fields of character and mentoring. We were consulted by the Department for Education on character development for young people and one of our 'graduates', Abdullahi Ali Aden (aged 20), was the keynote speaker alongside then Secretary of State for Education, Nicky Morgan MP, at the DfE's inaugural Character Symposium in January 2016. We published several pieces about our ideas on character development on our blog, some

of which have been picked up by 3rd parties and shared further. We also work with partners such as The Jubilee Centre for Character & Virtue to develop understanding of character with other organisations and share best practice.

We did not conduct a major review of our academic curriculum in 2015/16, but recognising this is a necessity we have scheduled this work for Oct – Nov 2016 and this work is currently taking place. This involves consulting with teachers to ensure our academic curriculum for mentoring projects is fit for purpose, enabling our mentors to support young people's learning effectively and targeting the right areas of the curriculum. This will become a yearly review, taking place between July and September each year. We intend to co-opt two to three teachers onto our Board of Advisers in 2016/17 to help with this review process for future years.

ReachOut is recognised as an example of best practice in the field of mentoring. Representatives from the Careers & Enterprise Company visited our projects in May 2016, and our model of work was commended and formed the basis for much of the specification of their tender for mentoring work around England from Jan 2017 – Aug 2018.

Funding

During the period we secured or maintained our main funding (over £10k) from the following institutions:

Four Acre Trust, Macquarie Group, UBS, Porticus Trust, Bloomberg LP, Aspect Capital, Garfield Weston Foundation, Henry Smith Charity, John Lyon's Charity, The Zochonis Charitable Trust, The Mercers' Company, Jack Petchey Foundation, Barclays and the City Bridge Trust.

Other smaller grants (less than £10k) came from: Zurich in the Community, SOAS, Ardmere Construction, Queen Mary University London RAG, CME Group, 29th May 1961 Charity, Hackney Parochial Charities, West Hackney Parochial Charity, William Wates Memorial Trust, The Prince of Wales's Charitable Foundation and Vitol Foundation.

We doubled revenue from schools, up to £117,523.00 in 2015/16, making up 19% of total funding.

We are very grateful to all our funders, large and small, for their decision to donate to ReachOut and help us pursue our objectives. Their confidence in us is very much appreciated.

Financial review

Incoming resources increased 20% this year to £625,783 as the charity successfully secured some core cost grant funding covering salary costs of operational staff members. Outgoing resources increased by 22% to £603,428 resulting in a new surplus of £22,355 and total funds of £167,767.

General funds were £142,767 as at 31 August 2016. This is £50,000 short of our reserves target for the year ending 31 August 2017. Therefore, our fundraising target for 2016/17 is £50,000 higher than our operating budget.

Principal risks and uncertainties

The Trustees identify key risks to the quality of services, financial health and reputation of the charity.

The main risks identified relate to income generation and reputational risk relating to child safeguarding.

In order to mitigate the funding risk we have invested in our fundraising team in 2015/16 and diversified our funding streams across trusts and foundations, government grants, schools, corporate donations and community fundraising, and within each stream we do not rely too heavily on any individual funder.

We continue to manage safeguarding risks by screening all volunteer mentors before placing them on our projects, including application form, enhanced DBS disclosures, reference checks and compulsory training, including pass/fail safeguarding assessment. Volunteers are always supervised by ReachOut staff whilst volunteering with children and young people. Permanent staff undergo annual refreshers on best practice in safeguarding through local authority safeguarding services and we liaise with schools regarding at risk young people.

Plans for the future

After significant growth in 2015/16, we intend to consolidate our work in the first half of 2016/17, growing thereafter. We are working to the broad objectives set out in our Business Plan for 2015 – 2018.

At the request of the Careers & Enterprise Company, in line with national policy around Opportunity Areas, we are considering final proposals to expand our services to Oldham from Sept 2017. We also intend to start work at new schools in London between Jan 2017 and Dec 2018 in the following boroughs: Islington, Westminster, Tower Hamlets, Lambeth, Southwark and Camden.

We have successfully restructured our Manchester operation to achieve the objectives set out below and reducing costs in the process, and have made good progress in fundraising, contributing to increased financial stability of the organisation:

- Change secondary school projects in Manchester from afternoons to evenings.
- Minimise number of projects where we transport volunteers via minibuses in Manchester.

The Trustees are mindful of the need to build up reserves to enable the charity to maintain operations in the event that a major source of funding is lost or unplanned expenditure should arise.

Structure, governance and management

The organisation is a charitable company limited by guarantee, incorporated on 29 November 2002 and registered as a charity on 12 March 2003. The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association.

All Trustees give their time voluntarily and receive no benefits from the charity. No expenses were claimed by the Trustees in this financial year.

Related parties and relationships with other organisations

There were no related party transactions during the year.

Remuneration policy for key management personnel

The pay of senior staff is reviewed annually. Pay is benchmarked against pay levels in similar organisations and any annual increases are set in accordance with the findings of this process.

Statement of responsibilities of the Trustees

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

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these financial statements, the Trustees are required to:

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

Trustees' annual report

For the year ended 31 August 2016

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

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

Members of the charity guarantee to contribute an amount not exceeding £10 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 August 2016 was 2. Two Trustees are members of the charity but this entitles them only to voting rights. The Trustees have no beneficial interest in the charity.

Independent examiner

Joanna Pittman of Sayer Vincent LLP was appointed as the charitable company's independent examiner during the year and has expressed her willingness to continue in that capacity.

The Trustees' annual report has been approved by the Trustees on 23 January 2017 and signed on their behalf by Edmund Lehmann.



Edmund Lehmann
Chair of Trustees

Independent examiner's report

For the year ended 31 August 2016

Independent examiner's report to the trustees of ReachOut Youth

I report on the accounts of the company for the year ended 31 August 2016, which are set out on pages 13 to 27.

This report is made solely to the trustees as a body, in accordance with the Charities Act 2011. My examination has been undertaken so that I might state to the trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the trustees as a body, for my examination, for this report, or for the opinions I have formed.

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of Institute of Chartered Accountants in England and Wales.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- Examine the accounts under section 145 of the 2011 Act
- To follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act
- To state whether particular matters have come to my attention

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's report

For the year ended 31 August 2016

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- Which gives me reasonable cause to believe that in any material respect the requirements:
- To keep accounting records in accordance with section 386 of the Companies Act 2006; and
- To prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities have not been met; or
- To which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached

Joanna Pittman

Professional Body: Institute of Chartered Accountants in England and Wales

Sayer Vincent LLP

Invicta House

108-114 Golden Lane

London

EC1Y 0TL

30 January 2017

ReachOut Youth

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 August 2016

	Note	Unrestricted £	Restricted £	2016 Total £	Unrestricted £	Restricted £	2015 Total £
Income from:							
Donations	2	209,149	106,020	315,169	155,195	42,408	197,603
Charitable activities							
ReachOut Club	3	25,236	18,590	43,826	145,108	50,159	195,267
ReachOut Academy	3	51,688	101,743	153,431	6,400	52,109	58,509
ReachOut ACE	3	19,900	59,892	79,792	-	55,000	55,000
Summer Projects	3	20,699	12,866	33,565	-	15,478	15,478
Total income		326,672	299,111	625,783	306,703	215,154	521,857
Expenditure on:							
Raising funds	4	57,421	-	57,421	24,793	-	24,793
Charitable activities							
ReachOut Club	4	149,461	86,443	235,904	131,856	86,198	218,054
ReachOut Academy	4	87,550	141,260	228,810	72,959	110,206	183,165
ReachOut ACE	4	1,100	59,892	60,992	20,845	31,487	52,332
Summer Projects	4	7,435	12,866	20,301	6,949	10,496	17,445
Total expenditure		302,967	300,461	603,428	257,402	238,387	495,789
Net income / (expenditure) for the year and net movement in funds	5	23,705	(1,350)	22,355	49,301	(23,233)	26,068
Reconciliation of funds:							
Total funds brought forward		119,062	26,350	145,412	69,761	49,583	119,344
Total funds carried forward		142,767	25,000	167,767	119,062	26,350	145,412

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 14 to the financial statements.

As at 31 August 2016

	Note	£	2016 £	£	2015 £
Fixed assets:					
Tangible assets	10		3,895		4,340
			<u>3,895</u>		<u>4,340</u>
Current assets:					
Debtors	11	36,968		43,584	
Cash at bank and in hand		205,724		137,099	
		<u>242,692</u>		<u>180,683</u>	
Liabilities:					
Creditors: amounts falling due within one year	12	(78,820)		(39,611)	
		<u>(78,820)</u>		<u>(39,611)</u>	
Net current assets			<u>163,872</u>		<u>141,072</u>
Total net assets			<u>167,767</u>		<u>145,412</u>
The funds of the charity:	14				
Restricted income funds			25,000		26,350
Unrestricted income funds:					
General funds		142,767		119,062	
		<u>142,767</u>		<u>119,062</u>	
Total unrestricted funds			<u>142,767</u>		<u>119,062</u>
Total charity funds			<u>167,767</u>		<u>145,412</u>

The opinion of the directors is that the company is entitled to the exemptions conferred by Section 477 of the Companies Act 2006 relating to small companies

The directors acknowledge the following responsibilities:

- (i) The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476,
- (ii) The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

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

Approved by the trustees on 23 January 2017 and signed on their behalf by



Edmund Lehmann
Chair of Trustees

ReachOut Youth

Statement of cash flows

For the year ended 31 August 2016

	Note	2016 £	£	2015 £	£
Cash flows from operating activities	15				
Net cash provided by operating activities			68,853		106,807
Cash flows from investing activities:					
Write off of fixed assets		(228)		-	
Purchase of fixed assets		-		(67)	
Net cash (used in) investing activities			(228)		(67)
Change in cash and cash equivalents in the year			68,625		106,740
Cash and cash equivalents at the beginning of the year			137,099		30,359
Cash and cash equivalents at the end of the year	16		205,724		137,099

1 Accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (August 2014) and the Companies Act 2006.

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

b) Reconciliation with previously Generally Accepted Accounting Practice (GAAP)

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was required. The transition date was 1 September 2014. No transitional adjustments were required.

c) Public benefit entity

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

d) Going concern

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

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

e) Income

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

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

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

1 Accounting policies (continued)

f) Donations of gifts, services and facilities

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

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

g) Interest receivable

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

h) Fund accounting

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

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

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

i) Expenditure and irrecoverable VAT

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

Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of delivering services and activities undertaken to further the purposes of the charity and their associated support costs

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

1 Accounting policies (continued)

j) Allocation of support costs

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

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

● ReachOut Club	46%
● ReachOut Academy	39%
● ReachOut ACE	11%
● Summer Projects	4%

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

k) Operating leases

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

l) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

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

● Fixtures and Equipment	5% reducing balance
● Motor Vehicles	20% reducing balance

1 Accounting policies (continued)

m) Debtors

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

n) Cash at bank and in hand

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

o) Creditors and provisions

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

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

p) Pensions

The charity operates a defined contribution scheme with NEST and currently contributes 1% of qualifying earnings.

2 Income from donations and legacies

	Unrestricted £	Restricted £	2016 total Total £	2015 Total £
Gifts	204,649	106,020	310,669	197,603
Donated services	4,500	–	4,500	–
	<u>209,149</u>	<u>106,020</u>	<u>315,169</u>	<u>197,603</u>

Donated services represents amounts received during the year for legal and IT support, including advising on the voluntary redundancy process and maintaining our online server. These amounts have been calculated based on what the charity would pay for these services were they not provided pro-bono.

3 Income from charitable activities

	Unrestricted £	Restricted £	2016 Total £	2015 Total £
SOAS University of London	-	4,500	4,500	-
The Saddlers Company Charitable Fund	-	1,500	1,500	-
Wates Foundation	-	7,500	7,500	-
Hackney Parochial Charities	-	5,090	5,090	-
BBC Children in Need	-	-	-	22,552
John Lyon's Charity	-	-	-	12,000
British Council	-	-	-	11,237
Lloyds Bank Foundation	-	-	-	12,100
The Zochonis Charitable Trust	-	-	-	10,000
The Ironmongers' Company	-	-	-	7,270
Trusthouse Charitable Foundation	-	-	-	5,000
Schools and other income	25,236	-	25,236	115,108
Sub-total for ReachOut Club	25,236	18,590	43,826	195,267
UBS	-	25,115	25,115	-
Jack Petchey Foundation	-	36,635	36,635	2,550
The Mercers' Company	-	15,000	15,000	-
Porticus Trust	-	19,993	19,993	19,993
The 29th May 1961 Charity	-	5,000	5,000	-
Hackney Parochial Charities	-	-	-	7,000
Garfield Weston	-	-	-	20,000
Schools and other income	51,688	-	51,688	8,966
Sub-total for ReachOut Academy	51,688	101,743	153,431	58,509
Macquarie Group Foundation	-	50,000	50,000	40,000
Vitol	-	9,892	9,892	-
Peter Kershaw Trust	-	-	-	15,000
Schools and other income	19,900	-	19,900	-
Sub-total for ReachOut Ace	19,900	59,892	79,792	55,000
Barclays	-	3,866	3,866	-
The Prince of Wales's Charitable Foundation	-	2,000	2,000	-
West Hackney Parochial Charity	-	7,000	7,000	-
Ernest Cook Trust	-	-	-	5,000
Tom ap Rhys Pryce Memorial Trust	-	-	-	3,913
Schools and other income	20,699	-	20,699	6,565
Sub-total for Summer Projects	20,699	12,866	33,565	15,478
Total income from charitable activities	117,523	193,091	310,614	324,254

ReachOut Youth

Notes to the financial statements

For the year ended 31 August 2016

4 Analysis of expenditure

	Cost of raising funds £	Charitable activities					Support costs £	2016 Total £	2015 Total £
		ReachOut Club £	ReachOut Academy £	ReachOut Ace £	Summer Projects £	Governance costs £			
Staff costs (Note 6)	46,988	119,263	121,278	23,322	4,489	2,812	159,568	477,720	341,704
Direct project costs	-	10,288	17,943	10,274	9,131	-	-	47,636	80,480
Rent, light and heat	-	-	-	-	-	-	40,068	40,068	36,350
Motor expenses	-	-	-	-	-	-	5,404	5,404	9,920
Miscellaneous office costs	-	-	-	-	-	-	3,125	3,125	18,630
Recruitment and other staff costs	-	-	-	-	-	-	7,023	7,023	2,598
Legal and professional fees	-	-	-	-	-	3,600	3,919	7,519	3,550
Fundraising costs	10,433	-	-	-	-	-	-	10,433	2,557
Donated services (Note 2)	-	1,946	1,887	500	167	-	-	4,500	-
	57,421	131,497	141,108	34,096	13,787	6,412	219,107	603,428	495,789
Support costs	-	101,438	85,208	26,184	6,277	-	(219,107)	-	-
Governance costs	-	2,969	2,494	712	237	(6,412)	-	-	-
Total expenditure 2016	57,421	235,904	228,810	60,992	20,301	-	-	603,428	495,789
Total expenditure 2015	24,793	218,054	183,165	52,332	17,445	-	-	495,789	

Of the total expenditure, £302,967 was unrestricted (2015: £257,402) and £300,461 was restricted (2015: £238,387).

Notes to the financial statements

For the year ended 31 August 2016

5 Net income for the year

This is stated after charging :

	2016 £	2015 £
Depreciation	673	-
Operating lease rentals:		
Property	16,079	16,079
Auditors' remuneration (excluding VAT):		
Independent Examination	2,000	-

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

Staff costs were as follows:

	2016 £	2015 £
Salaries and wages	425,273	315,445
Redundancy and termination costs	16,039	-
Social security costs	35,003	23,859
Employer's contribution to defined contribution pension schemes	1,405	2,400
	<u>477,720</u>	<u>341,704</u>

No employee earned more than £60,000 during the year (2015: nil).

The total employee benefits including pension contributions of the key management personnel were £146,227 (2015: £126,674).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2015: £nil). No charity trustee received payment for professional or other services supplied to the charity (2015: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £nil (2015: £nil).

7 Staff numbers

The average number of full time equivalent employees during the year was as follows:

	2016 No.	2015 No.
Raising funds	2.0	1.0
ReachOut Club	5.0	5.0
ReachOut Academy	5.0	4.0
ReachOut ACE	1.5	2.0
Summer Projects	0.5	1.0
Support	2.0	1.5
Governance	-	-
	<u>16.0</u>	<u>14.5</u>

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2016 No.	2015 No.
Raising funds	2.0	1.0
ReachOut Club	22.0	20.0
ReachOut Academy	21.0	15.0
ReachOut ACE	6.0	5.0
Summer Projects	12.0	14.0
Support	2.0	1.5
Governance	-	-
	<u>65.0</u>	<u>56.5</u>

Staff costs increased significantly from 2015 to 2016 due to a number of factors; an increase in permanent staffing levels, pay increases for both permanent staff and sessional staff, and an increase in the number of sessional staff.

8 Related party transactions

There are no related party transactions to disclose for 2016 (2015: none).

9 Taxation

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

10 Tangible fixed assets

	Fixtures and fittings £	Motor vehicles £	Total £
Cost or valuation			
At the start of the year	18,175	25,828	44,003
Disposals in year	(1,385)	-	(1,385)
At the end of the year	16,790	25,828	42,618
Depreciation			
At the start of the year	16,875	22,788	39,663
Charge for the year	65	608	673
Eliminated on disposal	(1,613)	-	(1,613)
At the end of the year	15,327	23,396	38,723
Net book value			
At the end of the year	1,463	2,432	3,895
At the start of the year	1,300	3,040	4,340

All of the above assets are used for charitable purposes.

11 Debtors

	2016 £	2015 £
Trade debtors	33,866	43,584
Prepayments	3,102	-
	<u>36,968</u>	<u>43,584</u>

12 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	14,866	29,218
Taxation and social security	9,521	8,071
Accruals	4,669	2,322
Deferred income	49,764	-
	<u>78,820</u>	<u>39,611</u>

Deferred income comprises grant income received in the year but which has a time bound criteria not met at the balance sheet date.

13 Analysis of net assets between funds

	General Unrestricted £	Restricted £	Total funds £
Tangible fixed assets	3,895	-	3,895
Net current assets	138,872	25,000	163,872
	<u>142,767</u>	<u>25,000</u>	<u>167,767</u>

14 Movements in funds

	At the start of the year £	Incoming resources & gains £	Outgoing resources & losses £	Transfers £	At the end of the year £
Restricted funds:					
ReachOut Club	22,000	18,590	(40,590)	-	-
ReachOut Academy	1,000	101,743	(102,743)	-	-
ReachOut ACE	-	59,892	(59,892)	-	-
ReachOut Summer Projects	-	12,866	(12,866)	-	-
Central cost grants	3,350	106,020	(84,370)	-	25,000
Total restricted funds	26,350	299,111	(300,461)	-	25,000
Unrestricted funds:					
General funds	119,062	326,672	(302,967)	-	142,767
Total unrestricted funds	119,062	326,672	(302,967)	-	142,767
Total funds	145,412	625,783	(603,428)	-	167,767

Purposes of restricted funds

The funds for ReachOut Club are utilised to provide mentoring programmes to primary school children (year 5/6) from a partner school.

The funds for ReachOut Academy are utilised to provide mentoring programmes to secondary school children (years 7 to 11) from a partner school.

The funds for ReachOut ACE are utilised to provide mentoring programmes to secondary school children (years 10/11) from a partner school.

The funds for ReachOut Summer projects are utilised to provide programmes during July and August at selected schools.

The Central cost grants are restricted funds that cover the salary cost of members of the Senior Management Team.

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

	2016 £	2015 £
Net income for the reporting period (as per the statement of financial activities)	22,355	26,068
Depreciation charges	673	990
Decrease in debtors	6,616	57,148
Increase in creditors	39,209	22,601
Net cash provided by operating activities	<u>68,853</u>	<u>106,807</u>

16 Analysis of cash and cash equivalents

	At 1 September £	Cash flows £	Other changes £	At 31 August 2016 £
Cash at bank and in hand	137,099	68,625	-	205,724
Total cash and cash equivalents	<u>137,099</u>	<u>68,625</u>	<u>-</u>	<u>205,724</u>

17 Operating lease commitments

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

	Property 2016 £	2015 £
Less than one year	<u>1,340</u>	<u>1,340</u>
	<u>1,340</u>	<u>1,340</u>

18 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £10.