

Company number: 4604379
Charity number: 1096492

ReachOut Youth

Report and financial statements
For the year ended 31 August 2017



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RaechOut Youth

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ReachOut Youth

Reference and administrative information

For the year ended 31 August 2017

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: Marion Baker appointed 6 June 2017 Shardaé Carr Charmaine Chow Sophia Corpas David Fass appointed 5 April 2017 Edmund Lehmann Mark Wakefield												
Company Secretary	Frances Ellis												
Key management personnel	<table><tr><td>Peter Blackwell</td><td>Chief Executive</td></tr><tr><td>Frances Ellis</td><td>Operations Director</td></tr><tr><td>Alison Braybrooks</td><td>Fundraising & Impact Director</td></tr><tr><td>Chloe Spencer</td><td>Manchester Manager</td></tr><tr><td>Chloe Holness</td><td>London Manager (left 31 August 2017)</td></tr><tr><td>Bejal Shah</td><td>London Manager (joined 1 August 2017)</td></tr></table>	Peter Blackwell	Chief Executive	Frances Ellis	Operations Director	Alison Braybrooks	Fundraising & Impact Director	Chloe Spencer	Manchester Manager	Chloe Holness	London Manager (left 31 August 2017)	Bejal Shah	London Manager (joined 1 August 2017)
Peter Blackwell	Chief Executive												
Frances Ellis	Operations Director												
Alison Braybrooks	Fundraising & Impact Director												
Chloe Spencer	Manchester Manager												
Chloe Holness	London Manager (left 31 August 2017)												
Bejal Shah	London Manager (joined 1 August 2017)												
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 2017

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 2017.

Reference and administrative information set out on pages 1 and 2 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

Our Mission

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.

How our activities deliver public benefit

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.

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

September 2016/August 2017 saw substantial change at ReachOut in both London & Manchester. A summary is provided here and full details are included in the following sections.

In Manchester we moved office, built a new staff team, transitioned the ReachOut Academy from afternoons to evenings, and started to recruit working people to volunteer as well as our traditional mentor demographic of university students. These changes led to us working in several new schools, and ending school relationships that were no longer sustainable.

From March 2017 we started projects at Failsworth School in Oldham, funded by the Careers & Enterprise Company, in line with the Department for Education's Opportunity Area policy.

In London we also had some turnover of schools, and as a result we stopped running the ReachOut ACE programme.

We also planned for substantial growth in 2017/18, transferring all administrative functions to our London office, hiring a Communications & Marketing Manager (to help us raise our profile and manage relationships with stakeholders) and a London Manager (to oversee all project delivery in the region) in August 2017.

Mentoring Programmes

Our mentoring programmes use long term, one-to-one mentoring to support young people to develop character and attainment. 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.

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

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. By developing their character we enable them to go on in turn to become successful students, employees or employers, parents etc.

We support young people in Maths, English and communication through one-to-one mentoring based on our academic curriculum. Mentors and mentees progress through structured worksheets each week, building academic confidence and improving attitude to learning.

In 2016/17 we focused on only our ReachOut Club and Academy term-time one-to-one mentoring programmes, both offering weekly one and a half to 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 Youth

Trustees' annual report

For the year ended 31 August 2017

All our projects are delivered in schools in areas of economic and social disadvantage.

ReachOut Club Projects 2016/17 (Total of 18 Projects)

London (14 Projects)

- 2 x Jubilee Primary School
- 2 x Redlands Primary School
- 1 x Carlton Primary School
- 1 x Cayley Primary School
- 1 x Netley 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
- 2 x Wellington Primary School
- 1 x Cayley Primary School (Y5 pilot project running March to June 2017)

Manchester (4 Projects)

- 1 x Heald Place Primary School
- 2 x Rolls Crescent Primary School (one Y5 pilot project running February to May 2017)
- 1 x Armitage Primary School

ReachOut Academy Projects (Total of 21 Projects)

London (16 Projects)

- 3 x The Petchey Academy (two projects running October 2016 to June 2017, one project running October 2016 to March 2017)
- 2 x Bridge Academy
- 2 x Haggerston School
- 2 x Heartlands High School
- 2 x Central Foundation Boys School (running March to June 2017)
- 2 x Bow School (running March to June 2017)
- 2 x Highbury Grove School (running March to June 2017)
- 1 x Wapping High School (running March to June 2017)

Manchester (3 Projects)

- 2 x Dean Trust Ardwick
- 1 x Oasis Academy (two projects started in November 2016 and merged in January 2017)

Oldham (2 Projects)

- 2 x Failsworth High (running March to June 2017)

We stopped running our ReachOut ACE (ROACE) programme (formerly Junior Mentors – Secondary schools, for Year 10/11 pupils aged 14 – 16) due to lack of demand from schools (see London and

Trustees' annual report

For the year ended 31 August 2017

Manchester sections) and a desire to focus growth and improvement on our two main products. We may reintroduce this work in the future.

London

Changes in London resulted in a net increase of 44 mentoring places from 2015/16 to 2016/17 in on Academy and Club projects.

In September 2016 we unexpectedly lost two of our London secondary schools, Northumberland Park Community School (now Duke's Aldridge Academy) in Haringey and Bishop Challoner Catholic Collegiate School in Tower Hamlets. Both schools had indicated they wished to continue with ReachOut in 2016/17, but in September they were unable to start projects, with Northumberland Park then saying they no longer wanted to continue, and Bishop Challoner putting the projects on hold indefinitely. Having previously agreed two ReachOut Academy projects each and four ReachOut ACE projects at Bishop Challoner this was a substantial reduction in the amount of work we were planning to do.

As a result, we agreed to run ReachOut Academy projects with four new schools – Central Foundation Boys School, Bow School, Highbury Grove School and Wapping High School. We offered our services to these schools free of charge for 2016/17 and in 2017/18. The new projects started in March and ran successfully to the end of the year.

Manchester & Oldham

We significantly restructured our Manchester operations, to bring our operating model in line with London, reducing cost and transferring best practice. This resulted in an initial net decrease of 56 mentoring places from 2015/16 to 2016/17 in Manchester on Academy and Club projects, which we expect to make up in coming years, with higher quality delivery at lower cost.

Chloe Spencer became our Manchester Manager permanently in September 2016, and set about building a new ReachOut staff team and operation in Manchester, including moving office. Over the last 4 months of 2015/16 we negotiated with our Manchester schools to transition their ReachOut Academy projects from weekday afternoons to evenings, as is the case in London. This was to reduce costs (we were spending lots of money and staff time transporting university student volunteers to and from the schools in minibuses), and to enable us to recruit working people to volunteer in Manchester.

Unfortunately both Our Lady's High School and the Barlow RC High School decided they did not want to continue with this new model (Our Lady's High School agreed to this change prior to the 2016/17 school year, but changed their mind in September 2016). We enrolled two new schools as a result, offering two projects to each free of charge for 2016/17 and 2017/18. At Dean Trust Ardwick the projects were highly successful, and the school has increased from two to four projects in 2017/18 and is paying for the two new projects. At Oasis Academy Manchester we had significant challenges with school buy in and facilities, resulting in low attendance. We merged the two projects there in January 2017.

Several of our 2015/16 primary schools were also quite poorly located and/or not operating according to the standard ReachOut Club format (for example focusing solely on academic support). Unfortunately we were unable to continue working at Peel Hall, St John's C of E, Crosslee Community, Charlestown and Crab Lane Community Primary Schools as a result. We built new relationships with Rolls Crescent and Armitage Primary Schools who were able to run the ReachOut Club as designed and are well located, and these flourished in 2016/17.

We were also offered funding by the Careers & Enterprise Company to start ReachOut Academy projects in Oldham from March 2017. Oldham was identified as one of the first six Opportunity Areas targeted by the Department for Education. As it is quite close to Manchester we felt it was worth exploring the opportunity to work there. We piloted two successful projects at Failsworth School as a result, and these are continuing in 2017/18.

Summer Programme

For the first time since 2003 we didn't deliver any ReachOut Summer Projects during the long school holiday. This allowed us to use the summer months to significantly improve internal processes, and focus on volunteer recruitment and on leadership training

All our Manchester Summer Projects in the preceding years were funded by government money allocated to schools for Year 6/7 transition work, and the schools then contracted ReachOut to deliver this service, using older school pupils who had attended the ReachOut ACE programme to support transition for new Year 7s. Government funding for this service ended in 2016, meaning Manchester schools were not able to finance any kind of summer provision. We didn't feel it was viable to source funding and deliver the service ourselves.

In London we have always delivered a Summer Project independent of school funding, but in recent years attendance has dropped. We had a number of significant organisational development projects which we chose to prioritise, including introduction of the Leadership Programme, major review of the curriculum and recruitment of nine members of staff, and as a result we didn't offer a Summer Project in London either.

Project Leaders & ReachOut Leadership Programme

In 2016/17 we delivered the majority of our mentoring projects using paid sessional staff. This represents the most cost efficient way in which ReachOut can grow to reach more children and young people.

Throughout 2015/16 and 2016/17 we identified several opportunities to improve the recruitment and training of these staff, and in May 2017 we launched the ReachOut Leadership Programme to implement these. The aim of the programme is to recruit and train high calibre individuals to deliver ReachOut projects (initially for 2017/18, but in principle year on year), whilst also providing them with personal development opportunities and experience in working with young people and volunteers. The recruitment phase was highly successful, with 144 applications and 60 invited to the residential training weekend in September 2017. A report on the success of the programme will be included in the 2017/18 Annual Report.

Our Mentors

For the first time we had significant numbers of working people volunteering in Manchester, and we continue to grow this.

At the ReachOut Academy projects in London mentors continued to return to projects in large numbers, particularly when their mentee was able to continue with the project.

Character, Academic Attainment & Mentoring

We continue to work with the Department for Education and leading character development bodies. Whilst character became less of a focus for government in 2016/17, we continue to build links with civil servants, and following a visit to Bow School in June 2017 by former Secretary of State for Education, Nicky Morgan, ReachOut was featured in her book, *Taught Not Caught: Educating for 21st Century Character*, published in September 2017.

ReachOut CEO, Peter Blackwell, spent three weeks in the USA in April/May 2017, visiting leading character development and mentoring organisations to build links and source new ideas and best practice for ReachOut to build on. Highlights of the trip included spending time with Stanford University professor Carol Dweck, author of *Mindset*, and Richard Barth, CEO of KIPP Public Charter Schools. Ideas from their work have been implemented in ReachOut's work immediately, most prominently featuring growth mindset more in our academic curriculum, and standardising as many parts of ReachOut's work as possible to make it replicable and scalable.

As part of this process we did a full review of our academic curriculum in July & August 2017. All our project staff worked together on this, taking guidance from teachers at three schools to create a better academic curriculum for our mentees.

ReachOut continues to be recognised as an example of best practice in the field of mentoring, and we were also approached by the Careers & Enterprise Company to support two fledgling organisations to develop capacity and implement mentoring programmes. Starting in April 2017, the bulk of this work will take place in the 2017/18 year and will be reported on in the 2017/18 annual report.

Achievements and performance

Character Strengths

We collected feedback from young people and mentors in an end of year survey. Overall they recognised an improvement in the ReachOut character strengths.

We asked them the following questions with a 5-point response scale (much worse, a bit worse, no difference, a bit better, much better).

Table 1: Young people responses to questions about character strengths

Young People Responses	% of young people responding a bit better or much better		
Since coming to ReachOut has there been a change in your character strengths?	Club	Academy	All YP
Fairness	80%	68%	73%
Self-Control	79%	78%	79%
Staying Power	86%	75%	79%
Good Judgement	82%	74%	78%

Table 2: Mentor responses to questions about character strengths

Mentor Responses	% of mentors responding a bit better or much better		
Have you seen a change in your mentee's character strengths since attending ReachOut?	Club	Academy	All Mentors
Fairness	77%	66%	71%
Self-Control	89%	75%	81%
Staying Power	90%	81%	85%
Good Judgement	84%	78%	81%

Confidence and Behaviour

We also asked young people and mentors to tell us what they thought of changes in confidence and behaviour throughout the year. The majority of young people and mentors felt that the young person's confidence and behaviour was better or much better.

Table 3: Young people and mentor responses to questions about confidence

	% of young people responding a bit better or much better		
Since coming to ReachOut has there been any change in your (or your mentee's) confidence?	Club	Academy	All
Young people responses	82%	74%	77%
Mentor responses	90%	85%	87%

Table 4: Young people and mentor responses to questions about behaviour

	% of young people responding a bit better or much better		
	Club	Academy	All
Since coming to ReachOut has there been any change in your (or your mentee's) behaviour at school?			
Young people responses	64%	63%	63%
Mentor responses	86%	80%	83%

Academic attainment

ReachOut Club (Primary School Projects)

We ask schools for start and end of year data for reading, writing and maths. We receive data in various formats and, with the schools' input, have translated this data into comparable metrics. We rely on schools for accuracy and completeness of this data.

The metrics are (relative to the current school year):

- GD = Working at Greater Depth (working at a higher level than expected for that age range)
- EXP = Working at Expected Level
- WT = Working Towards Expected Level
- HNM = Has Not Met Expected Level

Table 5: Academic data for ReachOut Club young people 2016/17

	Reading Start	Reading End	Writing Start	Writing End	Maths Start	Maths End
GD+EXP	24%	57%	22%	53%	23%	62%
WT+HNM	76%	43%	78%	47%	77%	38%

The table above indicates that more young people are working at the expected level or greater depth at the end of the year. Whilst this increase is positive, we recognise that it is difficult to isolate ReachOut's impact on these outcomes.

ReachOut Academy (Secondary School Projects)

We aim to collect academic data for young people at Key Stage 3 and 4, but this year we encountered significant challenges to collecting enough data to provide a representative picture of our impact on Maths & English performance on mentees in this age range. Changes to curriculum, GCSE format and school staffing were the main problems in gathering data. We have introduced new metrics for 2017/18 to clarify our objectives and new methods to provide contextual data so we can (to the best of our ability) assess academic impact. This includes working with schools to

create control groups for six of our projects in 2017/18 so we can compare our young people against their peers, and conversations with schools about this are both positive and well advanced.

In the past we have reported on young people sitting GCSEs in the year that they attended ReachOut, however for the first time since 2011 no ReachOut mentees sat GCSE exams in the previous financial (and academic) year, i.e. June 2016.

For both Club and Academy projects we also asked young people and mentors about changes in the quality of the mentee's school work. The majority of young people and mentors felt that the young person's school work was better or much better.

Table 6: Young people and mentor responses to questions about school work

	% of young people responding a bit better or much better		
	Club	Academy	All YP
Since coming to ReachOut has there been any change in the quality of your (or your mentee's) Maths & English school work?			
Young people responses	81%	74%	81%
Mentor responses	100%	79%	86%

Impact Methodology

ReachOut has received funding to engage Impact Box, a consultancy that works with charities to increase impact, in the 2017/18 academic year and we are currently working with them to review and improve our impact methodology, and update our data collection processes in line with this. As part of this work they have also audited our attendance data from 2016/17.

Feedback from schools, mentees, mentors and parents

"Good morning, just wanted to give you an update on how my son is getting on with the ReachOut programme. I've got to say he is loving it, he's now more confident with his school work, with other students he didn't get on with before and looks forward to going every Tuesday. I'd like to thank the ReachOut team for giving my son this opportunity and hope you keep it going and he can stay on it in the future."

Y8 Parent, Failsworth School, Oldham, 2016/17

"Without any doubt ReachOut is making an enormous difference to our young people and we feel extremely lucky to be able to run it. ReachOut staff must be justifiably proud to be part of a programme that is making such an impact on these vulnerable children and our own results are evidence of this."

Jill Cochrane, Chair of Governors, Wellington Primary School, 2016/17

"ReachOut has been fantastic for our students. The boys have shown weekly commitment to the programme and are happy to talk about their targets with staff and how they are going about

achieving these. They are motivated by boxing that is offered and this has allowed them to build their key strengths especially good judgement which transfers into the school setting supporting their academic development."

Serra Sanders, Deputy Headteacher, Wapping High School, 2016/17

"ReachOut has been working with Petchey Academy students since 2007. The participating students benefit enormously from the programme, and ReachOut's mentors prove to be excellent role models for them. The weekly support provided in Maths and English; character building and raising aspirations contribute to an excellent service for these, often hard to engage, students, and is very much valued by our academy."

Olivia Cole, Principal, Petchey Academy, 2016/17

"It's amazing! The mentors are really motivating, they help me to focus on the task and engage me with my learning"

ReachOut Academy mentee, Oldham, 2016/17

"Working with ReachOut has been really fun. It was great seeing the kids grow and learn. They all became a lot more confident and self-assured by the end of the project. My mentee even asked for my number to keep in touch! (I couldn't give it to him of course). I think as many students as possible should volunteer with ReachOut: It's an awesome way to give back to the community and grow as a person."

ReachOut Club Mentor & university student, London, 2016/17

"I definitely enjoyed working with ReachOut and I think the college should carry on working with them because it's not only benefited the children I worked with but also myself regarding working with team full of mentors. My teamworking skills have definitely improved since the programme began and it's also fulfilling knowing you've made a contribution to a child's education or behaviour."

ReachOut Club Mentor & college student, 2016/17

"I feel like ReachOut is helping me with my learning in school and to become more socially stable. I find it fun and enjoy working with my mentor who is very friendly."

ReachOut Academy mentee, Oldham, 2016/17

"It was our first experience of working with ReachOut and has been such a success that we will be rolling the program out for an entire year starting in September, and expanding it to include the new Yr7s. So successful in fact, that news has spread to Westminster and an MP came to school to see how they were getting on last week! Mentors have come from all different backgrounds to work with the boys. We had mentors from the City, teachers from Primary Schools and University students. They have all been really complimentary about the students who they have been participating. Some of the names on the list of boys attending might surprise you, but they have honestly all been so dedicated, polite and an absolute credit to us all at Bow School."

David Jones, Deputy Headteacher, Bow School, 2016/17

Trustees' annual report

For the year ended 31 August 2017

Young People (YP) Engagement

We continue to record all attendance for all young people and report on this as a useful indicator of young people's engagement with our programmes.

We count young people attending 10+ sessions as 'full' mentees on our term time projects (i.e. we consider them to have engaged successfully with the programme), and use these young people in our data sets for attainment and progression to employment, education or training – although as noted below there is no update for these categories in 2016/17.

The table below provides an overview of numbers of young people we supported in 2016/17, alongside the equivalent numbers on these programmes in 2015/16.

Table 7: Young people engagement, 2015/16 vs 2016/17*

	YP who attended at least 1 session		YP who attended 10+ sessions		Average attendance of all YP	
	2015/16	2016/17	2015/16	2016/17	2015/16	2016/17
ReachOut Club London	167	149	125	126	74%	82%
ReachOut Club Manchester	80	48	79	36	93%	76%
Total ReachOut Club	247	197	204	162	80%	80%
ReachOut Academy London	256	301	171	147	49%	54%
ReachOut Academy Manchester	145	71	76	37	53%	55%
Total ReachOut Academy	401	372	247	184	50%	54%
Total	648	569	451	346	61%	64%

* 2016/17 data has been audited by Impact Box.

Club projects run for up to 20 sessions, and Academy projects run for up to 30 sessions. In 2016/17 full Club and Academy projects (starting before Christmas) ran for an average of 18 and 26 sessions respectively. Both Club and Academy projects starting later on in the year ran for an average of 12 sessions.

Trustees' annual report

For the year ended 31 August 2017

The total number of young people attending 10+ sessions on the Club and Academy decreased by more than the net decrease in mentoring places available across both regions. This is because 11 of the projects (corresponding to 164 places) started in February or March 2017 and ran for an average of 12 sessions, making it less likely for young people attending these projects to reach the benchmark of 10 sessions.

As can be seen from Table 2 below, we have worked closely with schools to start projects earlier in 2017/18 to increase engagement of young people.

Table 8: Project Start Month, 2016/17 vs 2017/18

Start Month	2016/17	2017/18
Sep/Oct	9	44
Nov	21	13
Feb/Mar	11	5

Although average attendance of all young people has increased from 2015/16 to 2016/17, it is still lower than we would like. It should be noted that these figures are a conservative representation as they are slightly skewed by two things: young people who attend for one or two sessions and then decide the programme is not for them; young people referred to the project part way through who cannot attend the maximum number of sessions. For example, a young person who attended the first 2 sessions on a ReachOut Club with a total of 20 sessions would have 10% attendance and bring the average down. Another example is a young person who joined in session 5 out of 20 (perhaps after another young person dropped out) who would have a maximum attendance of 75%, even if they attended all sessions from then on.

We have put in place a number of things to further improve attendance and retention which are already showing benefits in the 2017/18 year and will be fully reported on in the next annual report. These include the introduction of the ReachOut Leadership Programme, hiring more project delivery staff and an incentives scheme for young people.

Funding

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

Augentius Ltd, Bank of America Merrill Lynch, BBC Children in Need, Careers and Enterprise Company, CME Group, Drapers Charitable Trust, Four Acre Trust, Garfield Weston Foundation, Hackney Council, Henry Smith Charity, Jack Petchey Foundation, John Lyon's Charity, Macquarie Group, Porticus UK, St James' Place Foundation, Swire Charitable Trust, TheirWorld and Transform Foundation.

Other smaller grants (less than £10k) came from:

29th May 1961 Charity, BlackRock, Palatine Private Equity, The David and Claudia Harding Foundation, The Herbert & Stefanie Straus Memorial Trust, UBS, William Wates Memorial Trust and Zurich Community Trust.

Our revenue from schools reduced significantly to £26,900 making up 4% of our total funding. This reduction was due to government funding cuts.

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 7% this year to £668,509 as the charity successfully secured some core cost grant funding covering salary costs of operational staff members. Outgoing resources decreased by 12% to £532,120 resulting in a surplus of £136,389 and total funds of £304,156.

General funds were £304,156 as at 31 August 2017. This is £20,000 more than our reserves target for the year ending 31 August 2018 (3 months plus 10%). We plan to expand activity in 2017/18 (as discussed below) and estimate that this growth will bring our reserves into line with our policy by the end of 2017/18.

Principal risks and uncertainties

The Trustees identify key risks to the quality of services, financial health and reputation of the charity. Key risks are recorded in the Risk Register and reviewed bi-monthly at board meetings.

The main risks identified relate to income generation, staff recruitment/retention and reputational risk relating to child safeguarding or failure to comply with regulations.

In order to mitigate the funding risk we continue to diversify our funding streams across trusts and foundations, government grants, schools, corporate donations and community fundraising. We also are funding our work further in advance, meaning we have more lead time to solve problems/seek additional funders should issues arise.

Key Management Personnel (the Senior Management Team or SMT) underwent training in writing job descriptions and person specifications, interview questions and interview techniques. Support and advice was sought from Bank of America Merrill Lynch in relation to development of the ReachOut Leadership Programme. In addition, the Operations Director is receiving ongoing mentor support from trustee Marion Baker in HR practice. As a result, ReachOut successfully recruited 9 new members of permanent full time staff over the summer of 2017, and 60 Project Leaders to participate in the Leadership Programme and deliver mentoring projects in 2017/18.

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.

The new General Data Protection Regulation (GDPR) is coming into force in May 2018. ReachOut has put together a team representing the various activity streams of the organisation, led by the Operations Director, to manage the transition to the new regulations. Staff have attended a webinar from NCVO and various other seminars and have secured pro-bono support from a corporate partner as well as trustee Charmaine Chow who is a company secretary and solicitor. ReachOut is due to implement new practices from January 2018.

Plans for the future

Following a successful restructure of our operation in Manchester during 2016/17 (to meet objectives outlined in our 2015/16 Annual Report) we now hope to grow both our ReachOut Club and ReachOut Academy in the city, increasing the number of young people we reach, and the number of working people volunteering as mentors as well.

We received funding from the Careers & Enterprise Company to expand from two to six ReachOut Academy projects in Oldham in 2017/18. We're pleased to be working in a Opportunity Area to reach some of the UK's most disadvantaged young people, and early work in 2017/18 has been very positive.

We plan to continue growing in London at our existing schools, and hope to add schools in south London in 2017/18. This will lead to significant growth in 2017/18 (~40% project growth) taking advantage of school interest, funding and mentor availability.

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. We believe our pay is in line with the industry and take opportunities to benchmark when possible, for example during the latest recruitment exercise in August.

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

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.

ReachOut Youth

Trustees' annual report

For the year ended 31 August 2017

Independent examiner

Joanna Pittman of Sayer Vincent LLP was appointed as the charitable company's independent examiner in January 2016 and has expressed her willingness to continue in that capacity.

The Trustees' annual report has been approved by the Trustees on 24 May 2018 and signed on their behalf by Edmund Lehmann.



Edmund Lehmann
Chair of Trustees

Independent examiner's report

To the members of

ReachOut Youth

I report to the charity trustees on my examination of the accounts of ReachOut Youth ('the Company') for the year ended 31 August 2017.

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.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

Since the Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accounts in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

- 1 Accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
- 2 The accounts do not accord with those records; or
- 3 The accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination; or
- 4 The accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Independent examiner's report

To the members of

ReachOut Youth

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Signed:

Name: Joanna Pittman

Relevant professional qualification or membership of professional bodies (if any):

The Institute of Chartered Accountants in England and Wales

Address: Sayer Vincent LLP, Invicta House, 108-114 Golden Lane, London, EC1Y 0TL

Date: 29 May 2018

ReachOut Youth

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

For the year ended 31 August 2017

	Note	Unrestricted £	Restricted £	2017 Total £	Unrestricted £	Restricted £	2016 Total £
Income from:							
Donations	2	156,909	130,200	287,109	209,149	106,020	315,169
Charitable activities							
ReachOut Club	3	17,300	113,500	130,800	25,236	18,590	43,826
ReachOut Academy	3	10,600	239,895	250,495	51,688	101,743	153,431
ReachOut ACE	3	-	-	-	19,900	59,892	79,792
Summer Projects	3	-	-	-	20,699	12,866	33,565
Investment income		105	-	105	-	-	-
Total income		184,914	483,595	668,509	326,672	299,111	625,783
Expenditure on:							
Raising funds	4	9,197	52,655	61,852	57,421	-	57,421
Charitable activities							
ReachOut Club	4	2,818	185,811	188,629	149,461	86,443	235,904
ReachOut Academy	4	11,510	270,129	281,639	87,550	141,260	228,810
ReachOut ACE	4	-	-	-	1,100	59,892	60,992
Summer Projects	4	-	-	-	7,435	12,866	20,301
Total expenditure		23,525	508,595	532,120	302,967	300,461	603,428
Net income / (expenditure) for the year and net movement in funds	5	161,389	(25,000)	136,389	23,705	(1,350)	22,355
Reconciliation of funds:							
Total funds brought forward		142,767	25,000	167,767	119,062	26,350	145,412
Total funds carried forward		304,156	-	304,156	142,767	25,000	167,767

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.

ReachOut Youth

Balance sheet

Company no. 4604379

As at 31 August 2017

	Note	£	2017 £	£	2016 £
Fixed assets:					
Tangible assets	10		<u>1,938</u>		<u>3,895</u>
			1,938		3,895
Current assets:					
Debtors	11	64,515		36,968	
Cash at bank and in hand		<u>372,080</u>		<u>205,724</u>	
		436,595		242,692	
Liabilities:					
Creditors: amounts falling due within one year	12	<u>(134,377)</u>		<u>(78,820)</u>	
Net current assets			<u>302,218</u>		<u>163,872</u>
Total net assets			<u>304,156</u>		<u>167,767</u>
The funds of the charity:	14				
Restricted income funds			-		25,000
Unrestricted income funds:					
General funds		<u>304,156</u>		<u>142,767</u>	
Total unrestricted funds			<u>304,156</u>		<u>142,767</u>
Total charity funds			<u>304,156</u>		<u>167,767</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 24 May 2018 and signed on their behalf by



Edmund Lehmann
Chair of Trustees

ReachOut Youth

Statement of cash flows

For the year ended 31 August 2017

	Note	2017 £	2016 £
Cash flows from operating activities	15		
Net cash provided by operating activities		163,421	68,853
Cash flows from investing activities:			
Sales of fixed assets		3,500	-
Purchase of fixed assets		(565)	-
Write off of fixed assests		-	(228)
Net cash (used in) investing activities		2,935	(228)
Change in cash and cash equivalents in the year		166,356	68,625
Cash and cash equivalents at the beginning of the year		205,724	137,099
Cash and cash equivalents at the end of the year	16	372,080	205,724

1 Accounting policies

a) Statutory Information

ReachOut Youth is a charitable company limited by guarantee and is incorporated in the United Kingdom. The registered office address is Ground Floor, 26-28 Ransgate Street, London, E8 2NA.

b) 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) (September 2015) 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.

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.

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.

1 Accounting policies (continued)

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.

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 | 47% |
| • ReachOut Academy | 53% |

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.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

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 |

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.

Notes to the financial statements

For the year ended 31 August 2017

2 Income from donations and legacies

	Unrestricted £	Restricted £	2017 total Total £	2016 Total £
Gifts	155,909	130,200	286,109	310,669
Donated services	1,000	-	1,000	4,500
	<u>156,909</u>	<u>130,200</u>	<u>287,109</u>	<u>315,169</u>

Donated services represents amounts received during the year for legal and IT support. 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 £	2017 Total £	2016 Total £
Austin & Hope Pilkington	-	1,000	1,000	-
David and Claudia Harding Foundation	-	5,000	5,000	-
St James Place	-	20,000	20,000	-
Theirworld	-	13,356	13,356	-
BBC Children in Need	-	32,144	32,144	-
John Lyon's Charity	-	12,000	12,000	-
Porticus Trust	-	25,000	25,000	-
William Wates Memorial Trust	-	5,000	5,000	-
SOAS University of London	-	-	-	4,500
The Saddlers Company Charitable Fund	-	-	-	1,500
Wates Foundation	-	-	-	7,500
Hackney Parochial Charities	-	-	-	5,090
Schools and other income	17,300	-	17,300	25,236
Sub-total for ReachOut Club	17,300	113,500	130,800	43,826
UBS	-	8,902	8,902	25,115
Jack Petchey Foundation	-	20,000	20,000	36,635
The Mercers' Company	-	-	-	15,000
Porticus Trust	-	24,993	24,993	19,993
The 29th May 1961 Charity	-	5,000	5,000	5,000
BlackRock	-	8,000	8,000	-
Careers and Enterprise Company	-	52,873	52,873	-
Hackney Voluntary and Community Sector	-	18,156	18,156	-
Macquarie Group Foundation	-	50,000	50,000	-
St James Place	-	20,000	20,000	-
Bank of America	-	16,971	16,971	-
Drapers	-	15,000	15,000	-
Schools and other income	10,600	-	10,600	51,688
Sub-total for ReachOut Academy	10,600	239,895	250,495	153,431
Macquarie Group Foundation	-	-	-	50,000
Vitol	-	-	-	9,892
Schools and other income	-	-	-	19,900
Sub-total for ReachOut Ace	-	-	-	79,792
Barclays	-	-	-	3,866
The Prince of Wales's Charitable Foundation	-	-	-	2,000
West Hackney Parochial Charity	-	-	-	7,000
Schools and other income	-	-	-	20,699
Sub-total for Summer Projects	-	-	-	33,565
Total income from charitable activities	27,900	353,395	381,295	310,614

ReachOut Youth

Notes to the financial statements

For the year ended 31 August 2017

4 Analysis of expenditure

	Charitable activities						Support costs £	2017 Total £	2016 Total £
	Cost of raising funds £	ReachOut Club £	ReachOut Academy £	ReachOut Ace £	Summer Projects £	Governance costs £			
Staff costs (Note 6)	54,937	72,495	142,113	-	-	2,808	142,501	414,854	477,720
Direct project costs	-	12,786	22,979	-	-	-	-	35,765	47,636
Rent, light and heat	-	-	-	-	-	-	30,569	30,569	40,068
Travel expenses	-	-	-	-	-	-	7,808	7,808	5,404
Miscellaneous office costs	-	-	-	-	-	-	22,495	22,495	3,125
Recruitment and other staff costs	-	-	-	-	-	-	4,205	4,205	7,023
Legal and professional fees	-	-	-	-	-	3,600	4,909	8,509	7,519
Fundraising costs	6,915	-	-	-	-	-	-	6,915	10,433
Donated services (Note 2)	-	470	530	-	-	-	-	1,000	4,500
	61,852	85,751	165,622	-	-	6,408	212,487	532,120	603,428
Support costs	-	99,866	112,621	-	-	-	(212,487)	-	-
Governance costs	-	3,012	3,396	-	-	(6,408)	-	-	-
Total expenditure 2017	61,852	188,629	281,639	-	-	-	-	532,120	603,428
Total expenditure 2016	57,421	235,904	228,810	60,992	20,301	-	-	-	603,428

Of the total expenditure, £23,525 was unrestricted (2016: £302,967) and £508,595 was restricted (2015: £300,461).

Notes to the financial statements

For the year ended 31 August 2017

5 Net income for the year

This is stated after charging :

	2017 £	2016 £
Depreciation	90	673
Profit on disposal of fixed asset	1,068	-
Operating lease rentals:		
Property	16,080	16,079
Auditors' remuneration (excluding VAT):		
Independent Examination	3,000	2,000
	<u>3,000</u>	<u>2,000</u>

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

Staff costs were as follows:

	2017 £	2016 £
Salaries and wages	378,092	425,273
Redundancy and termination costs	1,835	16,039
Social security costs	32,229	35,003
Employer's contribution to defined contribution pension schemes	2,698	1,405
	<u>414,854</u>	<u>477,720</u>

No employee earned more than £60,000 during the year (2016: nil).

The total employee benefits including employers' national insurance and pension contributions of the key management personnel were £174,334 (2016: £146,227).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2016: £nil). No charity trustee received payment for professional or other services supplied to the charity (2016: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £nil (2016: £nil).

7 Staff numbers

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

	2017 No.	2016 No.
Raising funds	2.6	2.0
ReachOut Club	2.5	5.0
ReachOut Academy	4.0	5.0
ReachOut ACE	–	1.5
Summer Projects	–	0.5
Support	2.0	2.0
Governance	–	–
	<u>11.1</u>	<u>16.0</u>

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

	2017 No.	2016 No.
Raising funds	3.0	2.0
ReachOut Club	11.5	22.0
ReachOut Academy	19.0	21.0
ReachOut ACE	–	6.0
Summer Projects	–	12.0
Support	2.0	2.0
Governance	–	–
	<u>35.5</u>	<u>65.0</u>

8 Related party transactions

There are no related party transactions to disclose for 2017 (2016: none).

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

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	16,790	25,828	42,618
Additions	565	-	565
Disposals in year	-	(25,828)	(25,828)
At the end of the year	17,355	-	17,355
Depreciation			
At the start of the year	15,327	23,396	38,723
Charge for the year	90	-	90
Eliminated on disposal	-	(23,396)	(23,396)
At the end of the year	15,417	-	15,417
Net book value			
At the end of the year	1,938	-	1,938
At the start of the year	1,463	2,432	3,895

All of the above assets are used for charitable purposes.

Notes to the financial statements

For the year ended 31 August 2017

11 Debtors

	2017 £	2016 £
Trade debtors	500	33,866
Prepayments	23,829	3,102
Accrued income	40,186	-
	<u>64,515</u>	<u>36,968</u>

12 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	7,780	14,866
Taxation and social security	12,205	9,521
Pension	549	-
Accruals	9,600	4,669
Deferred income	104,243	49,764
	<u>134,377</u>	<u>78,820</u>

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

13a Analysis of net assets between funds (current year)

	General Unrestricted £	Restricted £	Total funds £
Tangible fixed assets	1,938	-	1,938
Net current assets	302,218	-	302,218
Net assets at the end of the year	<u>304,156</u>	<u>-</u>	<u>304,156</u>

13b Analysis of net assets between funds (prior year)

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

Notes to the financial statements

For the year ended 31 August 2017

14a Movements in funds (current year)

	At the start of the year £	Income & gains £	Expenditure & losses £	Transfers £	At the end of the year £
Restricted funds:					
ReachOut Club	-	113,500	(113,500)	-	-
ReachOut Academy	-	239,895	(239,895)	-	-
Central cost grants	25,000	130,200	(155,200)	-	-
Total restricted funds	25,000	483,595	(508,595)	-	-
Unrestricted funds:					
General funds	142,767	184,914	(23,525)	-	304,156
Total unrestricted funds	142,767	184,914	(23,525)	-	304,156
Total funds	167,767	668,509	(532,120)	-	304,156

14b Movements in funds (prior year)

	At the start of the year £	Income & gains £	Expenditure & 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

	2017 £	2016 £
Net income for the reporting period (as per the statement of financial activities)	136,389	22,355
(Loss) on disposal of fixed assets	(1,068)	-
Depreciation charges	90	673
Decrease in debtors	(27,547)	6,616
Increase in creditors	55,557	39,209
Net cash provided by operating activities	163,421	68,853

16 Analysis of cash and cash equivalents

	At 1 September 2016 £	Cash flows £	Other changes £	At 31 August 2017 £
Cash at bank and in hand	205,724	166,356	-	372,080
Total cash and cash equivalents	205,724	166,356	-	372,080

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 2017 £	2016 £
Less than one year	1,340	1,340
	1,340	1,340

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.