

CHANCE (UK) LIMITED
(A company limited by guarantee)

**DIRECTORS' AND TRUSTEES' REPORT
AND ACCOUNTS**

FOR THE YEAR ENDED 31ST MARCH 2017

Company No: 03057840
Charity No: 1046947

CHANCE (UK) LIMITED
(A company limited by guarantee)

REPORT AND ACCOUNTS

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CHANCE (UK) LIMITED
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DIRECTORS' AND TRUSTEES' REPORT
FOR THE YEAR ENDED 31ST MARCH 2017

The trustees are pleased to present their annual directors' report together with the financial statements of the charity for the year ended 31st March 2017, which are also prepared to meet the requirements for a directors' report and Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statements 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).

OUR PURPOSE AND ACTIVITIES

The mission of Chance UK is:

Chance UK is an early intervention organisation that supports children experiencing emotional and behavioural difficulties. The children that we work with are at risk of educational exclusion, anti-social and/or criminal behaviour in adolescence and early adult life. We empower children to develop their skills, confidence and life aspirations through a year-long mentoring programme.

These children are assessed, using the Goodman's strength & difficulties questionnaire (SDQ) as those most likely to go on to criminal, offending & anti-social behaviour later in life. The one year, goal oriented, solution focused mentoring carried out by our vetted, trained & managed volunteer mentors bring about reductions in their levels of behavioural difficulty and an increase in their pro-social behaviour. These are measured using the SDQ at the beginning, middle and end of the programme.

Additionally, Chance UK provide key working for each of our children through our Programme Managers who co-ordinate all those involved in the child's life; schools, children's service, gangs teams etc. Alongside this work, Chance UK's Parent Programme Managers offer support to parents and carers through practical, emotional and signposting support.

The children and families that Chance UK work with are typically the most troubled families that do not engage positively with statutory services. During the mentoring year our children work towards goals that improve their behaviour, experiential learning and raise their self esteem and aspirations for their future. The work with our parents reduces the level of stress in the families through practical support, improves their relationship with their child through mirroring of mentoring practices and encourages parents to engage positively with statutory, counselling and appropriate support services.

Our volunteers

The Trustees of Chance (UK) Limited are grateful for the contribution that volunteers make to the operation and smooth running of the organisation. The charity has calculated that the total volunteer hours during the year is 26,880 which equates to a staff equivalent cost of approximately £245,953.

Achievements and Performance

In 2016/17 160 volunteers were matched with 160 children in six London boroughs and through our social franchises 100 children across the UK.

In early 2017 a consultative process was undertaken to evaluate Chance UK's mission statement and to introduce a vision statement and set of values for the charity. Chance UK's new vision, mission and values statements are below:

Vision: For every child in the UK to feel happy about themselves, realise their potential, and be confident in their ability to build a brighter future.

Mission: Chance UK is an early intervention organisation that supports children experiencing emotional and behavioural difficulties.

CHANCE (UK) LIMITED
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DIRECTORS' AND TRUSTEES' REPORT (Cont/d)

FOR YEAR ENDED 31ST MARCH 2017

The children that we work with are at risk of educational exclusion, anti-social and/or criminal behaviour in adolescence and early adult life.

We empower children to develop their skills, confidence and life aspirations through a year-long mentoring programme.

Values:

- *We are passionate: championing early support that is transformative for children and families*
- *We are inclusive: embracing the diversity of everyone that we work with*
- *We are child-centred: listening to children's best hopes to bring out the best in them and provide a unique experience*
- *We are solution-focused: enabling children and their families to use their strengths to achieve their own goals*
- *We are collaborative: working in partnership with other services to maximise our impact and embed sustainable changes*
- *We are forward thinking: creatively looking at ways of adapting and growing our programmes, whilst continuing to deliver best practice*

Chance UK's randomised controlled trial continued throughout 2016/17 and the final children finished on the trial in March 2017. Dartington Social Research Unit (SRU) who are carrying out the study will report in early 2018.

Chance UK held its 21st birthday party in May 2016, sponsored by Macquarie Bank and Blackwood Creative. Over one hundred funders, supporters, former mentors and staff attended and celebrated Chance UK's achievements over the past 21 years.

Volunteer recruitment was a key focus for Chance UK in 2016. To enhance mentor numbers, Chance UK employed a Volunteer Recruitment Officer and recruited a trustee to the board who is responsible for this area. Since these appointments volunteer numbers have increased.

The Future Funders group continued to look at alternative sources of funding and Chance UK is delighted to have now secured funding from Lambeth's Clinical Commissioning Group to work with children who are receiving treatment from Lambeth Child and Adolescent Mental Health Service (CAMHS).

Chance UK secured funding of £21,000 from the Local Sustainability Fund to build a much-needed IT platform. This is an excellent development as it will mean Chance UK can increase its use of data and will be able to report more wholly on its outcomes.

Two former mentors joined Chance UK's board in 2016; Debashish Dey (September 2016) and Andrew Davidson (December 2016). In November 2016 trustees, CEO and SMT met for a Strategy Day and planned the year ahead.

Public benefit statement

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PD2)'. The achievements and activities above demonstrate the public benefit arising through the Charity's activities.

FINANCIAL REVIEW

The Statement of Financial Activities showed net unrestricted fund surplus of £29,903, designated funds of £30,000 and restricted funds surplus of £1,708 compared to last year's overall deficit of £4,361. The charity's reserves stand at £263,111 (2016 - £201,500).

The charity had a satisfactory year and details of the results are shown on the Statement of Financial Activities. The management and trustees maintained strong controls over the finances of the charity during the year to ensure that a balanced result was achieved.

CHANCE (UK) LIMITED
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DIRECTORS' AND TRUSTEES' REPORT (Cont/d)

FOR YEAR ENDED 31ST MARCH 2017

Principal Funding Sources

Principal funding sources are currently donations and grant received from corporate, private donors and statutory bodies.

Investment powers and policy

Under the Memorandum and Articles of Association, the charity has the power to make any investment which the trustees see fit. The trustees have considered the most appropriate policy for investing funds and have found that cash deposits meet their requirements to generate income.

Reserves policy

The Directors consider it prudent to maintain an adequate balance of unrestricted funds to cover the Charity's contractual commitments and ideally aim to have 3 months running costs, excluding donated services, in reserve.

The Directors consider that the Charity's reserves will enhance the services provided and provide financial security for the future. The reserves held in unrestricted funds, which have not been designated or invested in fixed assets, at the 31st March 2017 were £222,113 (2016 – £195,650).

FUTURE ACTIVITIES

Chance UK's CEO, Gracia McGrath O.B.E. announced her retirement in April 2017. Gracia's last day at Chance UK will be 1st September 2017. The new CEO, Geethika Jayatilaka, has been chosen and will start on 11th September 2017. Chance UK's SMT are committed to supporting the new CEO and organisation through a smooth transition.

Chance UK's randomised controlled trial will report in early 2018. Plans are in place to communicate the results and trustees and staff eagerly await the results and any recommendations Dartington Social Research Unit put forward.

Development of Chance UK's parent programme and girls programme will continue. We hope to secure funding to work with an external consultant on designing the parent programme. We are delighted to have secured funds for another two years for the girls' programme, so development work can continue.

Chance UK staff and trustees are in the process of setting up an alumni network. The aim is to build a supportive group of former mentors who can help in a variety of ways, in particular by spreading the word about Chance UK to drive up mentor recruitment and by raising funds through e.g. individual donations and challenge events. We hope also that alumni will help us build links with employers so that we can more readily access CSR departments and Charity of the Year opportunities. Our underlying aim is to build a sense of community so that former mentors feel valued and current mentors know they can continue their association with us once their year is over.

Through Team London (the Mayor of London's volunteering programme) Chance UK has been granted six months of mentoring by a prestigious communications agency. We will be working together to increase funding, drive up mentor numbers and build the alumni network. Tasks that the agency is likely to help us carry out in support of these objectives are auditing our social media activity, developing a corporate partnership programme and creating vivid stories to show the impact of our work.

Following the conclusion of the RCT, Chance UK has introduced a new, in-house evaluation framework for use over the coming years. The Goodman Strengths and Difficulties Questionnaire (SDQ) will continue to be the primary evaluation measure, but we will also use four new measures. They are the Harter Self-Perception Profile, which assesses changes in children's self-esteem, the Children's Hope Scale, which measures changes in self-efficacy, and the Mentor-Youth Alliance Scale, which gathers children's own views on the quality of their mentoring relationships. The fourth tool, called The Parent Empowerment and Efficacy Measure (PEEM), is completed by parents and assesses how they feel about both their parenting skills and their ability to access and engage with professional help.

The work on Chance UK's new IT platform is well underway and our Salesforce database will be completed and introduced in coming months. This will give us better access to analysing outcomes for our children and families and will make reporting to funders much easier.

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DIRECTORS' AND TRUSTEES' REPORT (Cont/d)

FOR YEAR ENDED 31ST MARCH 2017

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Chance (UK) Limited is registered under the Companies Act 1985 as a company limited by guarantee and not having a capital divided by shares.

The company was incorporated on 17 May 1995 and is a registered charity constituted as a limited company under the Memorandum and Articles of Association. The charity registration number is 1046947 and the company registration number is 03057840.

Recruitment and appointment of Trustees

As set out in the Articles of Association the chair of the Trustees is nominated by Chance (UK) Limited. The Directors of the organisation are also the charity trustees for the purposes of charity law.

The Board of Trustees has power to appoint additional Trustees as it considers fit to do so.

The Trustees in office in the year are set out on page 2. The Trustees have no beneficial interest in the company other than as members. The Trustees are also the directors of the company. All of the Trustees are members of the company and guarantee to contribute £1 in the event of winding up. The Board has the power to appoint additional Directors.

Trustee induction and training

The Trustees maintain a good working knowledge of charity and company law and best practise by regular reading of charity press articles and scrutiny of Companies House, Charity Commission, other Government and voluntary organisation advisory websites. New Trustees are given copies of the Memorandum and Articles of Association and copies of previous year's minutes and attend an induction session given by an experienced Trustee.

Organisation

It is governed by the Board of Directors, which sets the overall framework. The Chief Executive Officer and her staff team are then delegated full responsibility for implementation within this framework. The Board and organisation are also supported by an Advisory Council that meets at least semi-annually.

The company is significantly dependent on the services of unpaid volunteers.

Related parties

The charity works closely with other similar organisations as detailed in the achievements and performance section of the Trustees Report below. None of the charity's trustees are directors or trustees of these other organisations.

Pay policy for senior staff

The pay and remuneration of the charity's key management personnel is reviewed annually by the Trustees taking into account the individual's performance and the charity's financial position.

Risk Management

The trustees have a risk management strategy which comprises:

- An annual review of the risks the charity may face;
- The establishment of systems and procedures to mitigate those risks identified in the plan;
- Implementation of procedures designed to minimise any potential impact on the charity should those risks materialise.

REFERENCE AND ADMINISTRATIVE DETAILS

Company Number: 03057840

Charity Number: 1046947

CHANCE (UK) LIMITED
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DIRECTORS' AND TRUSTEES' REPORT (Cont/d)
FOR YEAR ENDED 31ST MARCH 2017

Directors and Trustees:

Hugh Thornbery – Chair
Stephen Bediako – Vice-Chair
Richard Gordon – Hon. Treasurer
Mark Webster
Hilary Reynolds
Daniel Houldsworth
Ruth Puttick
Janet Mokades
Charlotte Reichwald
Debashish Dey – appointed 13/09/16
Andrew Davidson – appointed 13/12/16

Secretary: Gracia McGrath OBE

Chief Executive Officer: Gracia McGrath OBE

Senior Management Team

Ross Adams – Senior Programme Manager
Christine Hatt – Quality and Evaluation Manager
Caroline Hopkins – Senior Programme Manager
Navinder Kaur – Business Development Manager

Registered Office: 2nd Floor, 89-93 Fonthill Road, Finsbury Park, London N4 3JH

Auditors: Ramon Lee & Partners, Kemp House, 152 / 160 City Road, London EC1V 2DW

Bankers: The Co-operative Bank, 1 Islington High Street, London N1 9TR

STATEMENT OF DIRECTORS' AND TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of Chance (UK) Limited for the purposes of company law) are responsible for preparing the preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of its income and expenditure for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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DIRECTORS' AND TRUSTEES' REPORT (Cont/d)
FOR YEAR ENDED 31ST MARCH 2017

The trustees are responsible for the maintenance and integrity of the charity and the financial information included on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

STATEMENT OF DISCLOSURE TO AUDITORS

So far as the Directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the Directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

AUDITORS

A resolution will be proposed at the Annual General Meeting that Ramon Lee & Partners be re-appointed as auditors of the charity for the ensuing year.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

APPROVED BY THE BOARD AND SIGNED ON ITS BEHALF BY:



HUGH THORNBERY
CHAIR

11th August 2017

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF

CHANCE (UK) LIMITED (A company limited by guarantee)

Opinion

We have audited the financial statements of Chance (UK) Limited for the year ended 31st March 2017, which comprise the Statement of Financial Activities (Summary Income and Expenditure Account), Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st March 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least 12 months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The directors' report has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF (Cont/d)

CHANCE (UK) LIMITED (A company limited by guarantee)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made;
- we have not received all the information and explanations we require for our audit;
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Directors' and Trustees' Report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statements set out on pages 6 and 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

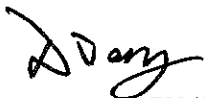
In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



DAVID TERRY (Senior Statutory Auditor)
for and on behalf of RAMON LEE & PARTNERS
CHARTERED ACCOUNTANTS
STATUTORY AUDITOR

KEMP HOUSE
152/160 CITY ROAD
LONDON, EC1V 2DW

11th August 2017

CHANCE (UK) LIMITED
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**STATEMENT OF FINANCIAL ACTIVITIES
SUMMARY INCOME AND EXPENDITURE ACCOUNT**

FOR THE YEAR ENDED 31ST MARCH 2017

	Notes	Unrestricted Funds			Total 2017 £	Total 2016 £
		General Funds £	Designated Funds £	Restricted Funds £		
Income						
Donations and legacies	2	38,741	-	113,052	151,793	167,282
Income from charitable activities	3	180,000	-	724,222	904,222	1,077,629
Investment income	4	464	-	-	464	442
Total incoming resources		<u>219,205</u>	<u>-</u>	<u>837,274</u>	<u>1,056,479</u>	<u>1,245,353</u>
Expenditure						
Cost of raising funds	5	54,438	-	-	54,438	60,990
Expenditure on charitable activities	5	104,864	-	835,566	940,430	1,188,724
Total Expenditure		<u>159,302</u>	<u>-</u>	<u>835,566</u>	<u>994,868</u>	<u>1,249,714</u>
Net income/(expenditure) for the year before transfers		59,903	-	1,708	61,611	(4,361)
Transfer between funds	15	(30,000)	30,000	-	-	-
Net income/(expenditure) for the year after transfers		<u>29,903</u>	<u>30,000</u>	<u>1,708</u>	<u>61,611</u>	<u>(4,361)</u>
<i>Reconciliation of funds</i>						
Total funds, brought forward		195,650	-	5,850	201,500	205,861
Total funds, carried forward		<u>225,553</u>	<u>30,000</u>	<u>7,558</u>	<u>263,111</u>	<u>201,500</u>

The Statement of Financial Activities also complies with the requirements for an income and expenditure account under the Companies Act 1985.

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the above two financial periods.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the above movement in funds for the above two financial periods.

The notes on pages 13 to 22 form part of these accounts.

CHANCE (UK) LIMITED
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BALANCE SHEET AS AT 31ST MARCH 2017

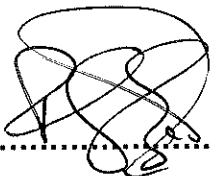
	Notes	2017		2016	
		£	£	£	£
Fixed assets					
Tangible fixed assets	11		10,775		3,995
Current assets					
Debtors	12	10,320		11,850	
Cash at bank and in hand		468,196		457,492	
		<u>478,516</u>		<u>469,342</u>	
Liabilities					
Creditors falling due with in one year	13	<u>(226,180)</u>		<u>(271,837)</u>	
Net current assets			252,336		197,505
Net assets			<u>263,111</u>		<u>201,500</u>
The funds of the charity					
Unrestricted funds					
General Funds	15		225,553		195,650
Designated Funds	15		30,000		-
Restricted funds	15		7,558		5,850
Total charity funds			<u>263,111</u>		<u>201,500</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime within Part 15 of the Companies Act 2006.

These accounts were approved by the Board of Directors and Trustees on 11th August 2017 and were signed on its behalf by:



..... **Hugh Thornbery (Chair)**



..... **Richard Gordon (Hon. Treasurer)**

Company Registration No. 03057840

The notes on pages 13 to 22 form part of these accounts.

CHANCE (UK) LIMITED
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH 2017

	Notes	2017 £	2016 £
Cash used in operating activities	16	<u>18,114</u>	<u>196,474</u>
Cash flows from investing activities			
Interest income		464	442
Purchase of tangible fixed assets		(7,874)	-
Cash used in investing activities		<u>(7,410)</u>	<u>442</u>
Increase / (decrease) in cash & cash equivalents in the year		<u>10,704</u>	<u>196,916</u>
Cash & cash equivalents at the beginning of the year		457,492	260,576
Total cash & cash equivalents at the end of the year		<u><u>468,196</u></u>	<u><u>457,492</u></u>

The notes on pages 12 to 22 form part of these accounts.

CHANCE (UK) LIMITED
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NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 2017

1. ACCOUNTING POLICIES

1.1 Basis of preparation of accounts

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) – (Charity SORP (FRS 102)), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Chance (UK) Limited meets the definition of a public benefit entity under FRS 102.

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

1.2 Preparation of accounts on a going concern basis

The Charity's Financial Statements shows a net surplus of £61,611 for the year and free reserves of £222,113. The trustees are of the view that these results have secured the immediate future of the Charity for the next 12 to 18 months and on this basis the Charity is a going concern.

1.3 Income

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

- (a) Income received by way of grants, donations and legacies are included in full in the Statement of Financial Activities when received, unless they relate to a specified future period, in which case they are deferred.
- (b) Legacies entitlement is taken as the earlier of the date on which either: the charity is aware that the probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Charity that the distribution is made, or when a distribution is received from the estate. No legacies were received during the year.
- (c) Income from charitable activities received by way of revenue grants and donations are credited to restricted incoming resources on the earlier date of when they are received or when they are receivable, unless they relate to a specified future period, in which case they are deferred.
- (d) Grants and donations of general nature which are not conditional on delivering certain levels of service are included as part of Grants, Donations and Legacies as shown under note 2. Performance related grants and donations which have conditions for a specific outcome are include as Income from Charitable Activities as shown in Note 3.
- (e) Capital grants for the purchase of fixed assets are credited to restricted incoming resources on the earlier date of when they are received or receivable. Depreciation on the related fixed assets is charged against the restricted fund.
- (f) Income from charitable activities include income recognised as earned (as the related goods and services are provided) under contract, in the form of training income.
- (g) Investment income is included when receivable.

1.4 Volunteers and donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item 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), the general volunteer time is not recognised and refers to the trustees' annual report for more information about their contribution.

On receipt, donated 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.

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NOTES TO THE ACCOUNTS (Cont/d)

FOR THE YEAR ENDED 31ST MARCH 2017

1.5 Expenditure recognition 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:

- (a) Cost of raising funds comprises the cost of employing a fundraiser to obtain grants donations and other fundraising activities and their associated support costs.
- (b) Expenditure on charitable activities includes the costs directly associated with Mentoring, the Parent Plus programme, Quality & Evaluation, National Development and the Girls Project and their associated support costs.

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

1.6 Allocation of support and governance costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance and administration personnel, payroll and governance costs which support the Charity's programmes and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The basis on which support costs have been allocated are as follows:

The Charity initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Governance costs and other support costs are apportioned separately between charity's four key activity undertaken (see note 5) in the year. All the general support and governance costs have been apportioned to the various charitable activities on the basis of a proportion of direct costs, allocated to each activity.

1.7 Funds structure

The general fund comprises those monies, which may be used toward meeting the charitable objectives of the company at the discretion of the Management Board.

The designated funds are monies set aside out of general funds and designated for specific purposes by the Management Board.

The restricted funds are monies raised for, and their use restricted to, a specific purpose or donations subject to donor imposed conditions.

1.8 Tangible fixed assets and depreciation

Tangible fixed assets (excluding investments) are stated at cost less depreciation. The cost of minor additions or those costing less than £500 are not capitalised. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Computer equipment	-	33.33% on cost
Database	-	25% on reducing balance
Fixtures & fittings	-	15% on reducing balance

1.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short term cash deposits.

1.10 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.

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NOTES TO THE ACCOUNTS (Cont/d)

FOR THE YEAR ENDED 31ST MARCH 2017

1.11 Financial instruments

The Trust 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.

1.12 Taxation

The Charity is a registered charity and, therefore, is not liable for Income Tax or Corporation Tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

1.13 Judgement and key sources of estimation uncertainty

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

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

2. DONATIONS AND LEGACIES

	Unrestricted Funds	Restricted Funds	2017	2016
	£	£	£	£
Donations and legacies	38,741	4,642	43,383	53,032
Donated services	-	108,410	108,410	114,250
	<u>38,741</u>	<u>113,052</u>	<u>151,793</u>	<u>167,282</u>

Donations and legacies in 2016, totalled £167,282. These were attributed £53,032 to unrestricted funds and £114,250 to restricted funds.

The Charity received donated services in the year totalling £108,410 (2016 – £114,250) representing £81,250 (2016 - £81,250) for staff employed by the Dartington Social Research Unit (SRU) to work in a quality & evaluation project, £8,160 (2016 - £20,000) for volunteers administrator, £2,000 (2016 - £6,000) for training & mentoring, £7,000 (2016 - £5,000) for meeting space, we were kindly offered venue, catering and support to the value of £10,000 (2016 - £nil) to cover the cost of our 21st birthday party. A corresponding amount has been included under resources expended in Note 5.

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NOTES TO THE ACCOUNTS (Cont'd)
FOR THE YEAR ENDED 31ST MARCH 2017

3. INCOME FROM CHARITABLE ACTIVITIES

Grants receivable are shown at the agreed level of funding for the period 2016/2017 as under:

	Unrestricted	Restricted	2017	2016
	£	£	£	£
Ant Foundation	-	10,000	10,000	8,200
Battersea Power Station Foundation	-	1,254	1,254	-
BBC Children in Need	-	24,567	24,567	23,618
Big Lottery Fund - R.A.	-	-	-	160,000
Big Lottery Fund - Reaching Communities	-	49,282	49,282	49,282
Big Lottery Fund - Realising Ambition	-	113,442	113,442	260,336
Cripplegate Foundation	-	25,000	25,000	21,500
Department of Work & Pensions	-	8,877	8,877	9,034
Esmeé Fairbairn Foundation	-	-	-	60,000
Future	-	15,000	15,000	-
Garfield Weston Foundation	90,000	-	90,000	10,000
Healthier Hackney Fund	-	-	-	30,000
Highgate School	-	-	-	10,000
J Leon Charitable Fund	-	-	-	20,000
John Lyon's Charity	-	30,000	30,000	30,000
Joseph Strong Frazer Trust	2,000	-	2,000	2,000
Joy Worth	3,000	5,000	8,000	2,000
Kirkland & Ellis International LLP	35,000	50,000	85,000	30,000
Local Sustainability Fund	-	47,300	47,300	-
London Borough of Islington	-	165,500	165,500	128,000
NHS Lambeth CCG	-	55,000	55,000	-
Paul Hamlyn Foundation	-	-	-	25,000
The Persular Foundation	-	10,000	10,000	10,000
Sir John Cass's Foundation	-	35,000	35,000	-
The Arsenal Foundation	-	2,500	2,500	-
The Henry Smith Charity	-	-	-	52,200
The Holbeck Charitable Trust	-	40,000	40,000	40,000
The Kurt & Magda Stern Foundation	10,000	-	10,000	-
The Leathersellers' Company Charitable Fund	-	10,000	10,000	10,000
The London Community Foundation	-	-	-	7,959
The Marple Charitable Trust	-	-	-	10,000
The Mercers' Company	-	-	-	20,000
The Rayne Foundation	-	15,000	15,000	15,000
Theirworld	-	10,000	10,000	12,000
Thomas's Schools Foundation	-	1,500	1,500	1,500
Tuixen Foundation	30,000	-	30,000	-
Wolverhampton Vol. Sector Council	10,000	-	10,000	20,000
	<u>180,000</u>	<u>724,222</u>	<u>904,222</u>	<u>1,077,629</u>

Income from charitable activities in 2016, totalled £1,077,629. These were attributed £110,159 to unrestricted funds and £967,470 to restricted funds. Income for 2017 totalled £925,222 and related to mentoring activities of £771,664 (2016 - £901,929), parent plus activities of £25,000 (2016 - £21,500), national development activities of £nil (2016 - £15,000), girls project of £40,000 (2016 - £87,200), database fund £28,558 (2016 - £nil), and the quality & evaluation activities of £60,000 (2016 - £52,000).

4. INVESTMENT INCOME

	2017	2016
	£	£
Interest on cash deposits	464	442
	<u>464</u>	<u>442</u>

Investment income is all attributed to unrestricted funds.

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NOTES TO THE ACCOUNTS (Cont'd)

FOR THE YEAR ENDED 31ST MARCH 2017

5. ANALYSIS OF EXPENDITURE

	Basis of allocation	Mentoring £	ParentPlus £	Fundraising £	Quality & Evaluation £	Girls Project £	2017 £	2016 £
<i>Costs directly allocated to activities:</i>								
Staff salaries & wages	Staff Time	427,306	21,985	49,855	45,671	29,476	574,293	771,128
Staff redundancy costs	Staff Time	-	-	-	-	-	-	5,462
Pension costs	Staff Time	14,951	-	-	1,350	-	16,301	22,341
Other staff costs	Staff Time	6,091	-	-	494	66	6,651	1,680
Donated staff salaries & wages	Staff Time	8,160	-	-	81,250	-	89,410	87,250
Training	Direct	1,530	-	-	74	9	1,613	4,052
Volunteers' expenses	Direct	24,663	-	-	-	13	24,676	26,327
Travel & subsistence	Direct	8,505	6	-	1,418	141	10,070	10,538
Parent Plus Grant	Direct	972	2,946	-	-	20	3,938	8,261
Support, group sessions	Direct	3,338	610	-	-	-	3,948	3,308
Graduation costs	Direct	6,773	163	-	-	-	6,936	7,109
Library resources	Direct	330	-	-	-	-	330	22
Fundraising costs	Direct	-	-	-	-	-	-	5,582
Recruitment costs	Direct	2,040	-	88	-	11	2,139	774
Event costs	Direct	300	-	-	-	-	300	1,118
Support & governance costs (see note 6)		220,791	3,170	4,495	15,274	10,533	254,263	294,762
Total		725,750	28,880	54,438	145,531	40,269	994,868	1,249,714

Of the £994,868 expenditure in 2017 (2016 - £1,249,714), £166,302 was charged to unrestricted funds (2016 - £162,113) and £828,566 to restricted funds (2016 - £1,087,601).

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NOTES TO THE ACCOUNTS (Cont'd)

FOR THE YEAR ENDED 31ST MARCH 2017

6. ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

The Charity initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Governance costs and other support costs are apportioned separately between the key activities undertaken (see note 5) in the year.

	Basis of allocation	Mentoring £	ParentPlus £	Fundraising £	Quality & Evaluation £	Girls Project £	2017 £	2016 £
Analysis of support costs:								
Salaries and staff costs	Staff Time	51,518	2,379	3,090	5,108	3,070	65,165	88,223
Printing postage & stationery	Usage	6,045	-	-	1,683	504	8,232	5,884
Donated services	Usage	19,000	-	-	-	-	19,000	27,000
Telephone & internet	Usage	7,460	-	-	1,818	644	9,922	16,159
Advertising & publicity	Usage	20	-	-	-	22	20	3,495
Subscription & membership	Usage	774	-	-	600	-	1,396	3,207
Insurance	Usage	758	-	-	-	-	758	699
Rent & rates	Floor Area	40,025	-	173	-	2,520	42,718	63,868
Equipment hire	Usage	13	-	-	-	108	121	8,187
Computer consumables	Usage	16,232	-	101	4,094	294	20,721	26,868
Repairs and maintenance	Usage	2,702	-	-	-	6	2,708	3,837
Light & heat	Usage	1,424	-	-	378	114	1,916	2,331
Staff welfare	Usage	1,490	-	-	-	83	1,573	2,557
Cleaning & sanitation	Usage	2,061	-	-	-	22	2,083	3,005
Office Accessories	Usage	402	-	-	-	-	402	738
Bank charges and interest	Transaction	243	-	-	-	11	254	526
HP interest	Usage	-	-	-	-	-	-	2,053
Depreciation	Usage	1,094	-	-	-	-	1,094	1,146
Legal & professional fees	Usage	42,653	-	-	-	734	43,387	201
Bookkeeping & payroll fees	Usage	8,504	-	-	-	226	8,730	9,537
Analysis of governance costs:								
Salaries and staff costs	Staff Time	13,122	577	832	1,046	1,850	17,427	17,427
Audit fees	Direct	4,767	194	272	496	271	6,000	6,000
AGM cost	Actual	484	20	27	51	54	636	1,814
Total		220,791	3,170	4,495	15,274	10,533	254,263	294,762

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NOTES TO THE ACCOUNTS (Cont/d)

FOR THE YEAR ENDED 31ST MARCH 2017

7. NET INCOME / (EXPENDITURE) FOR THE YEAR

Net incoming resources are shown after charging:	2017	2016
	£	£
Depreciation of tangible fixed assets	1,094	13,988
Payments under operating leases	42,718	63,870
Auditors' remuneration	6,000	6,000
	<u>6,000</u>	<u>6,000</u>

8. ANALYSIS OF STAFF COSTS, TRUSTEES REMUNERATION AND EXPENSES, AND COST OF KEY MANAGEMENT PERSONNEL

	2017	2016
	£	£
Wages and salaries	598,207	787,807
Social security cost	58,678	79,705
Pension costs	16,301	22,339
Redundancy costs	-	7,363
	<u>673,186</u>	<u>897,214</u>

Pension costs represent contributions paid to a defined contribution scheme on behalf of the company's employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The number of employees whose emoluments as defined for taxation purposes amounted to over £60,000 in the year was as follows:

	2017	2016
£60,001 - £70,000	1	1

Pension costs contributions paid into a defined contribution scheme on behalf of the above employee amounted to £4,480 (2016 - £4,480).

No trustee received any remuneration or reimbursed expenses in the year (2016 - £NIL). The key management personnel of the charity are shown on page 1 and includes the Executive Director. The total employee benefits of the key management personnel of the charity were £235,683.

9. STAFF NUMBERS

The average monthly head count was 21 (2016 28) and the average weekly full time number of staff employed by the charity during the period was as follows:

	2017	2016
Chief Executive	0.8	0.8
National Development	-	0.8
Parent Plus	3.3	4.0
Mentoring	8.0	13.0
Volunteer recruitment / training	2.0	1.0
Girls project	1.0	1.8
Administration	0.8	0.8
Quality and evaluation	1.0	1.0
Business development	1.0	1.0
	<u>17.9</u>	<u>24.2</u>

10. PENSION COMMITMENTS

The company operates a defined contribution scheme for the benefits of its employees. The assets of the scheme are held separately from those of the company.

During the year the company had paid contributions to the pension fund of £16,301 (2016 - £22,341). The company had accrued pension contributions of £nil (2016 - £ nil).

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NOTES TO THE ACCOUNTS (Cont/d)

FOR THE YEAR ENDED 31ST MARCH 2017

11. TANGIBLE FIXED ASSETS

	Computer Equipment £	Fixtures & Fittings £	Database £	TOTAL £
<u>COST</u>				
Opening balance	91,904	23,934	-	115,838
Additions	539	-	7,335	7,874
Closing balance	<u>92,443</u>	<u>23,934</u>	<u>7,335</u>	<u>123,712</u>
<u>DEPRECIATION</u>				
Opening balance	91,534	20,309	-	111,843
Charge for the year	550	544	-	1,094
Closing balance	<u>92,084</u>	<u>20,853</u>	<u>-</u>	<u>112,937</u>
<u>NET BOOK VALUES</u>				
As at 31st March 2017	<u>359</u>	<u>3,081</u>	<u>7,335</u>	<u>10,775</u>
As at 31st March 2016	<u>370</u>	<u>3,625</u>	<u>-</u>	<u>3,995</u>

12. DEBTORS

	2017 £	2016 £
Debtors, other debtors and prepayments	10,320	11,850
	<u>10,320</u>	<u>11,850</u>

13. CREDITORS: amounts falling due within one year

	2017 £	2016 £
Creditors, other creditors and accruals	20,570	21,688
Deferred income (Note 14)	148,746	228,000
Taxation & social security costs	14,864	22,149
	<u>184,180</u>	<u>271,837</u>

14. DEFERRED INCOME

	2017 £	2016 £
Balance as at 1st April 2016	228,000	52,200
Amount released to income in the year	(228,000)	(52,200)
Amount deferred in the year	148,746	228,000
Balance as at 31st March 2017	<u>148,746</u>	<u>228,000</u>

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NOTES TO THE ACCOUNTS (Cont/d)

FOR THE YEAR ENDED 31ST MARCH 2017

Deferred income represents grant funding of £50,000 and £18,000 received from Garfield Weston Foundation and Drapers Charitable Fund for 2017/18 core services.

Income of £3,000 and £5,000 was received from Joy Worth for respectively for 2017/18 core services and after school clubs.

Income of £30,000 was received from John Ellerman Foundation towards the cost of salary and on cost of the Quality & Evaluation Manager in 2017/18.

Islington Commission Services provided £12,500 towards the cost of early help mentoring activities within its borough for 2017/18.

Cripplegate Foundation provided £12,500 towards the cost of Islington Parent Programme Manager for 2017/18.

Battersea Power Station fund also provided £38,746 towards the cost of mentoring activities within Lambeth for 2017/18.

Local Sustainability Fund provided £21,000 towards the cost of IT Consultants & salaries for Local Sustainability Fund

15. ANALYSIS OF MOVEMENT IN FUNDS

	Balance at 01.04.16 £	Income £	Expenditure £	Transfers £	Balance at 31.03.17 £
Unrestricted Funds					
General funds	195,650	219,205	159,302	(30,000)	225,553
Designated funds	-	-	-	30,000	30,000
	<u>195,650</u>	<u>219,205</u>	<u>159,302</u>	<u>-</u>	<u>255,553</u>
Restricted Funds					
Mentoring programme & activities	2,620	612,824	615,444	-	-
Parent Programme	-	28,642	28,642	-	-
Quality & evaluation	3,230	141,250	144,480	-	-
Girls programme	-	40,000	40,000	-	-
IT Platform	-	7,558	-	-	7,558
Meeting space	-	7,000	7,000	-	-
	<u>5,850</u>	<u>837,274</u>	<u>835,566</u>	<u>-</u>	<u>7,558</u>
Total charity funds	<u>201,500</u>	<u>1,056,479</u>	<u>994,868</u>	<u>-</u>	<u>263,111</u>

Description, nature and purpose of funds:

General funds:

General fund represents funds available to spend at the discretion of the Trustees after allowing for all the designated funds.

Designated funds:

The transfer to Designated Funds totalling £30,000 represents £20,000 set aside to cover the cost of recruiting a new CEO and £10,000 for I T Equipment..

Restricted funds:

Mentoring programmes & activities

This is the core of the work of Chance UK employing 7 Programme Managers to manage 160 mentoring relationships, 2 Senior Programme Managers who oversee and develop this work. The Recruitment & Training worker is employed to recruit the 200 volunteers that are needed every year to carry out this work. This work is overseen by the CEO.

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FOR THE YEAR ENDED 31ST MARCH 2017

Parent programme

Chance UK employs 4 (2 full-time and 2 part-time) Parent Programme Managers that work directly with parents of the children we mentor. The work is directly line managed by the Senior Programme Manager for the area which they cover.

Quality & evaluation

The role of the Quality & Evaluation Manager is to lead on the Randomised Control Trial (RCT) and ensure that each area of our work is properly and appropriately evaluated.

Girls programmes

The Girls Programme works with 5-11 year old girls who live in gang areas in Hackney & Islington. The girls are matched with adult volunteer mentors who go through the same thorough recruitment, training and supervisions process as those on the core programme. This work was designed with the police, gang teams, children services & YOTs who also provide the referrals. It is being evaluated by CAMHS (Child & Adult Mental Health Service) in Islington.

IT Platform

Chance UK has secured funding to build a new IT platform. This will store all of Chance UK's data as well as being able to produce reports on Chance UK's outcomes. The restricted fund balance of £7,558 will be spent in the next financial period.

16. ANALYSIS OF FUND BALANCES BETWEEN NET ASSETS

	2017	2016
	£	£
Net movement in funds	61,611	(4,361)
Add back depreciation	1,094	13,988
Deduct interest income shown in investment activities	(464)	(442)
Decrease in debtors	1,530	10,181
(Decrease) / increase in creditors	(45,657)	189,950
Fixed assets capitalised	-	(12,842)
Net cash used in operating activities	18,114	196,474

17. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASHFLOW FROM OPERATING ACTIVITIES

	Unrestricted funds			Total	Total
	General	Designated	Restricted		
	Funds	Funds	Funds		
	£	£	£	2017	2016
Tangible fixed assets	3,440	-	7,335	10,775	3,995
Net current assets	222,113	30,000	223	252,336	197,505
	225,553	30,000	7,558	263,111	201,500

18. RELATED PARTY TRANSACTIONS

For the whole of the year, the charity was under the control of the Directors and Trustees as shown on page 6.

One of the senior management team is a Trustee of The Henry Smith Charity.

No Trustee received any remuneration during the year (2016 - £nil). No Trustees received reimbursed expenses during the year (2016 - £nil).