

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

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

FOR THE YEAR ENDED 31ST MARCH 2019

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 2019

The trustees are pleased to present their annual directors' report together with the financial statements of the charity for the year ended 31st March 2019, 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) – (Charity SORP (FRS 102) Revised).

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 liaise as necessary with 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 the parents of mentor children 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 of volunteer mentors that make such a difference to the lives of children we support. The charity has calculated that the total volunteer hours during the year is 25,076 which equates to a staff equivalent cost of approximately £255,755.

Achievements and Performance

This year Chance UK:

- Mentored 150 children over the course of the year in Islington, Westminster, Enfield and Lambeth;
- Worked with over 100 parents and carers;
- Recruited, trained and supported over 150 new mentors.

This year has been one of organisational growth and development. We were pleased to secure further funding from the Big Lottery to refresh our core mentoring programme in light of lessons from the major evaluation which concluded last year. This has been a real opportunity to work with the staff team, mentors past and present as well as involving a panel of "experts" and insights from children - to help us to develop the programme. Revisions made include: a clearer, more defined journey set out for mentors and children; introducing greater structure to the children and mentors group sessions and an increased focus on the development of social and emotional skills and the tools to help mentors support this in the children they work with. We will be testing out the impact of this new approach in 2019-20.

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DIRECTORS' AND TRUSTEES' REPORT (Cont/d)

FOR YEAR ENDED 31ST MARCH 2019

In addition both the Girls Programme and the Parent Programme underwent a significant review process thanks to funding from the ESRC via our partnership with the University of York. As a result of this work, both programmes have developed a very clear and coherent theoretical and practical framework. We are proud of the hard work which has gone into the development of this new offer and believe it is well placed to provide high quality support to a new cohort of children and families.

- **Girls Resilience Programme:** Our new approach will focus specifically on 8-12 year olds and will equip girls with skills to increase their resilience to future adversities and to reach their full potential as they grow and mature. Group work will play a greater role in the programme, offering girls a chance to meet with others and to explore safe and responsible choices about personal behaviour and social interactions.
- **A Space to Breathe** aims to provide support to the main carer to enable them to nurture and encourage their child during the mentoring journey and beyond. Our new approach includes 121 meetings to build relationships and understand the needs of the family. In addition, group based support will be offered to help parents develop their confidence and parenting skills, specific issue clinics to provide more expert input on common issues and termly outings to build their networks of support going forwards.

We were delighted to be able to build on our previous three-year project in partnership with Victim Support, engaging with children and young people affected by domestic abuse. Building on the learning gained from our previous work and with the help of a grant from the Home Office, Chance UK and Victim Support have developed a new model of working and aim to deliver this across London from 2018 – 2020. As part of this work, Chance UK will be supporting 50 children affected by domestic violence.

We finished the year with a surplus in line with our ambition to rebuild reserves after a difficult financial year in 2017-18. This was the result of very prudent forecasting and strong controls on expenditure in order to ensure that Chance UK remains in a positive financial state of health.

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 for the year of £79,235, and restricted funds surplus of £39,975 compared to last year's deficit of £114,233 on unrestricted funds and surplus of £17,038 on restricted funds. The charity's reserves stand at £285,126 (2018 - £165,916).

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.

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. Currently the charity has approximately 2½ months running costs in free reserves.

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DIRECTORS' AND TRUSTEES' REPORT (Cont/d)

FOR YEAR ENDED 31ST MARCH 2019

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 2019 were £216,803 (2018 – £131,058).

FUTURE ACTIVITIES

We look forward to 2019-20 as a year of growth for the organisation. This is in terms of increasing the numbers of children and families we support in line with our strategic ambitions but also to continue to build our service offer across London and beyond. We are also ambitious to develop and grow our support particularly for children with emotional and behavioural difficulties – particularly at vulnerable points within their lives. Financially we will continue to diversify our funding sources and to build up the organisations ability to weather the challenging financial climate.

We are optimistic about the direction of travel for Chance UK and confident in our ability to provide the early intervention support needed so that children can realise their potential and build a better future.

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 5. 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.

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DIRECTORS' AND TRUSTEES' REPORT (Cont/d)

FOR YEAR ENDED 31ST MARCH 2019

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

Directors and Trustees:

Hugh Thornbery, CBE – Chair
Hilary Reynolds, CBE – Vice-Chair (until March 2019)
Andrew Davidson – Vice Chair (from March 2019)
Richard Gordon – Hon. Treasurer
Daniel Houldsworth
Janet Mokades
Charlotte Reichwald
Debashish Dey
Mary Mulvey-Oates – Appointed 11/07/2018
Ruth Puttick – Resigned 04/05/2018
Peter Stanford – Resigned 11/09/18

Secretary: Geethika Jayatilaka

Chief Executive Officer: Geethika Jayatilaka

Senior Management Team: Ross Adams – Senior Programme Manager
Christine Hatt – Quality and Evaluation Manager
Caroline Hopkins – Senior Programme Manager
Navinder Kaur – Business Development Manager
Mwila Mulenshi – Senior Project Manager

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

Independent Examiner: David Terry FCA,
Ramon Lee Audit LLP, 93 Tabernacle Street, London EC2A 4BA.

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

CHANCE (UK) LIMITED
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DIRECTORS' AND TRUSTEES' REPORT (Cont/d)
FOR YEAR ENDED 31ST MARCH 2019

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 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.

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

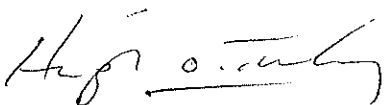
- so far as we are aware, there is no relevant audit information of which the company's auditors are unaware; and
- as the Directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's 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 THORNBERRY, CBE
CHAIR

18TH JUNE 2019

REPORT OF THE INDEPENDENT AUDITOR TO THE TRUSTEES OF CHANCE (UK) LIMITED

Opinion

We have audited the financial statements of Chance (UK) Limited for the year ended 31st March 2019, which comprise the Statement of Financial Activities (Summary Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows 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 2019 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.

Emphasis of matter

In the previous accounting period the directors of the company took advantage of audit exemption under s477 of the Companies Act. Therefore the prior period financial statements were not subject to audit.

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

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 page 6, 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 AUDIT LLP
CHARTERED ACCOUNTANTS
STATUTORY AUDITOR

93 TABERNACLE STREET
LONDON EC2A 4BA

18TH JUNE 2019

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

FOR THE YEAR ENDED 31ST MARCH 2019

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Total 2018 £
Income					
Donations and legacies	2	155,769	16,120	171,889	34,381
Income from charitable activities	3	190,500	486,711	677,211	802,009
Investment income	4	71	-	71	124
Total income		<u>346,340</u>	<u>502,831</u>	<u>849,171</u>	<u>836,514</u>
Expenditure					
Cost of raising funds	5	71,353	-	71,353	62,581
Expenditure on charitable activities	5	195,752	462,856	658,607	871,128
Total Expenditure		<u>267,105</u>	<u>462,856</u>	<u>729,961</u>	<u>933,709</u>
Net income/(expenditure) and net movement in funds for the year		79,235	39,975	119,210	(97,195)
<i>Reconciliation of funds</i>					
Total funds, brought forward		161,740	4,176	165,916	263,111
Total funds, carried forward		<u>240,975</u>	<u>44,151</u>	<u>285,126</u>	<u>165,916</u>

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

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 12 to 20 form part of these accounts.

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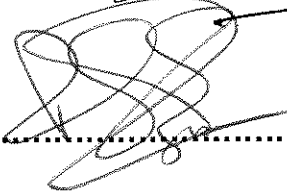
BALANCE SHEET AS AT 31ST MARCH 2019

	Notes	2019		2018	
		£	£	£	£
Fixed assets					
Tangible fixed assets	10		24,172		30,682
Current assets					
Debtors	11	21,914		22,303	
Cash at bank and in hand		533,759		253,872	
		555,673		276,175	
Liabilities					
Creditors falling due with in one year	12	(294,718)		(140,941)	
Net current assets					
			260,954		135,234
Net assets					
			285,126		165,916
The funds of the charity					
Unrestricted funds	14		240,975		161,740
Restricted funds	14		44,151		4,176
Total charity funds					
			285,126		165,916

The Trustees have prepared accounts in accordance with Section 398 of the Companies Act 2006 and Section 138 of the Charities Act 2011. These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

These accounts were approved and authorised for issue by the Board of Directors and Trustees on 18th June 2019 and were signed on its behalf by:

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

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

Company Registration No. 03057840

The notes on pages 12 to 20 form part of these accounts.

CHANCE (UK) LIMITED
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STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST MARCH 2019

	2019	2018
	£	£
Cash used in operating activities	<u>281,529</u>	<u>(182,915)</u>
Cash flows from investing activities		
Interest income	71	124
Purchase of tangible fixed assets	(1,714)	(31,533)
Cash used in investing activities	<u>(1,643)</u>	<u>(31,409)</u>
Increase / (decrease) in cash & cash equivalents in the year	<u>279,886</u>	<u>(214,324)</u>
Cash & cash equivalents at the beginning of the year	253,872	468,196
Total cash & cash equivalents at the end of the year	<u><u>533,758</u></u>	<u><u>253,872</u></u>

Reconciliation of net movement in funds to net cashflow from operating activities:

	2019	2018
	£	£
Net movement in funds	119,210	(97,195)
Add back depreciation	8,224	11,626
Deduct interest income shown in investment activities	(71)	(124)
(Increase)/decrease in debtors	389	(11,983)
(Decrease) / increase in creditors	153,777	(85,239)
Net cash used in operating activities	<u><u>281,529</u></u>	<u><u>(182,915)</u></u>

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

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 2019

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) Revised, The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The Charity has opted to early adopt Charity SORP (FRS 102) as amended by Bulletin 1.

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

The accounts (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 £119,210 for the year and free reserves of £216,803. 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. Deprecation 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.

NOTES TO THE ACCOUNTS (Cont/d)

FOR THE YEAR ENDED 31ST MARCH 2019

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 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, personnel, payroll and governance costs which support the Charity's programmes and activities. These costs have been allocated to expenditure on charitable activities. The basis on which support costs have been allocated are set out in note 7.

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.

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.

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NOTES TO THE ACCOUNTS (Cont/d)

FOR THE YEAR ENDED 31ST MARCH 2019

1.13 Operating leases

All leases are operating leases, and rentals are charged to the Statement of Financial Activities on a straight-line basis over the lease duration. No assets are held under hire purchase agreements.

1.14 Pension

The Charity operates a defined contribution pension scheme on behalf of its employees. Contributions are charged to the Statement of Financial Activities in the period in which they are payable. The assets of the scheme are held separately from those of the Charity in an independently administered fund.

1.15 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 £	2019 £	2018 £
The Carlile Foundation	10,000	-	10,000	-
Garfield Weston Foundation	50,000	-	50,000	-
Treebeard Trust	20,000	-	20,000	-
Tuixen Foundation	30,000	-	30,000	-
Other donations < £5,001	45,769	-	45,769	22,381
Donated services	-	16,120	16,120	12,000
	155,769	16,120	171,889	34,381

Donations and legacies in 2018, totalled £34,381. These were attributed £22,381 to unrestricted funds and £12,000 to restricted funds.

The charity is indebted to several organisations for providing the following pro bono professional services and free accommodation. The income equivalents are recognised within income as donations, and corresponding charges included within expenditure under support costs as follows:

- Professional services - £3,000 (2018 - £5,000) included in Legal and professional costs;
- Administration support - £6,120 (2018 - nil) included in Legal and professional costs;
- Meeting space - £7,000 (2018 - £7,000) included in premises costs.

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FOR THE YEAR ENDED 31ST MARCH 2019

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted £	Restricted £	2019 £	2018 £
<i>Mentoring & Parent Programme</i>				
Ant Foundation	-	21,500	21,500	19,168
Battersea Power Station Foundation	-	40,000	40,000	38,746
BBC Children in Need	-	38,000	38,000	24,544
Big Lottery Fund - Work shop	-	-	-	500
Big Lottery Fund - Reaching Communities	-	84,368	84,368	50,000
City Bridge Trust	-	20,775	20,775	-
Cripplegate Foundation	-	25,000	25,000	25,000
Cripplegate Foundation - Islington Giving	-	22,108	22,108	3,158
Department of Work & Pensions	-	-	-	3,013
Drapers' Charitable Fund	-	-	-	18,000
Future	-	-	-	10,000
Garfield Weston Foundation	-	-	-	50,000
Home Office	-	63,666	63,666	-
Joseph Strong Frazer Trust	-	-	-	2,000
Joy Worth	-	5,000	5,000	11,000
Kirkland & Ellis International LLP	-	-	-	35,000
Local Sustainability Fund	-	-	-	21,000
London Borough of Islington	190,500	-	190,500	178,000
NHS Lambeth CCG	-	-	-	30,000
Property Professionals	-	2,000	2,000	-
Persula Foundation	-	-	-	8,000
Ragamuffins	-	657	657	-
Stuart Roden Foundation	-	-	-	5,000
The Holbeck Charitable Trust	-	40,000	40,000	40,000
Thomas's Schools Foundation	-	1,500	1,500	1,498
Tuixen Foundation	-	-	-	30,000
Walcot Foundation	-	16,666	16,666	25,000
The Westminster Almshouse Foundation	-	25,000	25,000	-
Westminster Foundation	-	-	-	2,500
Donations and legacies	-	-	-	4,097
Donated services	-	5,471	5,471	8,160
	<u>190,500</u>	<u>411,711</u>	<u>602,211</u>	<u>643,384</u>
<i>Quality & Evaluation</i>				
John Ellerman Foundation	-	30,000	30,000	30,000
Donated services	-	-	-	40,625
	<u>-</u>	<u>30,000</u>	<u>30,000</u>	<u>70,625</u>
<i>Girls Project</i>				
The Leathersellers' Company Charitable Fund	-	-	-	10,000
The Marple Charitable Trust	-	-	-	20,000
The Morris Charitable Trust	-	-	-	3,000
Persula Foundation	-	5,000	5,000	-
The Pilgrim Trust	-	30,000	30,000	30,000
The Rayne Foundation	-	-	-	15,000
Theirworld	-	10,000	10,000	10,000
	<u>-</u>	<u>45,000</u>	<u>45,000</u>	<u>88,000</u>
	<u>190,500</u>	<u>486,711</u>	<u>677,211</u>	<u>802,009</u>

Income from charitable activities in 2018, totalled £802,009. These were attributed £180,000 to unrestricted funds and £622,009 to restricted funds.

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FOR THE YEAR ENDED 31ST MARCH 2019

The charity is indebted to the following organisations and individuals for providing the pro bono services. The income equivalents are recognised within income from charitable activities, and corresponding charges included within expenditure under other direct project costs.

- Kirkland and Ellis hosting volunteers week reception - £3,471 (2018 - £nil);
- Organisations providing pro bono staff training - £2,000 (2018 - £nil);
- Dartington Social Research Unit (SRU) staff for work in a quality & evaluation project - £nil (2018 - £40,625);
- Volunteers administrator - £nil (2018 - £8160).

4. INVESTMENT INCOME

	2019	2018
	£	£
Interest on cash deposits	71	124
	71	124

Investment income in 2017 is all attributed to unrestricted funds.

5. ANALYSIS OF EXPENDITURE

	Fundraising	Mentoring & Parent Programme	Quality & Evaluation	Girls Project	2019	2018
	£	£	£	£	£	£
Staff costs	39,620	376,922	24,045	32,316	472,903	628,860
Volunteers' expenses	-	15,536	-	-	15,536	15,393
Other direct costs	15,216	49,961	8,030	111	73,318	86,019
Fundraising costs	5,100	-	-	-	5,100	380
Support costs (Note 6)	10,023	108,826	5,728	18,615	143,193	179,491
Governance costs (Note 6)	1,394	15,132	796	2,588	19,911	23,566
	71,353	566,377	38,599	53,631	729,961	933,709

Of the £730,761 expenditure in 2019 (2018 - £933,709), £267,905 was charged to unrestricted funds (2018 - £292,738) and £462,856 to restricted funds (2018 - £640,971).

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 charity's key activities undertaken (see note 5) in the year. All the general support and governance costs are allocated to activities at different percentages, based on the basis of staff time relating to each activity.

	General Support	Governance Function	2019	2018
	£	£	£	£
General office staff	19,137	13,191	32,328	72,721
Premises and equipment costs	62,749	-	62,749	61,775
Communication costs	13,567	-	13,567	13,717
Information technology costs	9,782	-	9,782	14,680
Legal and professional costs	26,961	-	26,961	17,753
Other office costs	2,772	-	2,772	3,876
HP interest	-	-	-	770
Depreciation	8,224	-	8,224	11,626
Independent examiners' fee	-	-	-	4,800
Audit fees	-	6,720	6,720	-
AGM cost	-	-	-	1,339
	143,193	19,911	163,103	203,057

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NOTES TO THE ACCOUNTS (Cont/d)

FOR THE YEAR ENDED 31ST MARCH 2019

7. NET INCOME / (EXPENDITURE) FOR THE YEAR

Net incoming resources are shown after charging:	2019	2018
	£	£
Depreciation of tangible fixed assets	8,224	11,626
Payments under operating leases	51,246	42,718
Auditors' remuneration	6,720	-
Independent examiners' remuneration	-	4,800
	<u>-</u>	<u>4,800</u>

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

	2019	2018
	£	£
Wages and salaries	425,972	610,216
Social security cost	41,067	61,040
Pension costs	20,588	30,346
Redundancy costs	22,005	-
	<u>509,632</u>	<u>701,602</u>

Three employees were paid redundancy according to the charities redundancy policy.

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

	2019	2018
£70,001 - £80,000	1	-

No trustee received any remuneration or reimbursed expenses in the year (2018 - £NIL).

The key management personnel of the charity are shown on page 1 and include the Executive Director. The total employee benefits of the key management personnel of the charity were £184,753 (2018 - £288,084).

9. STAFF NUMBERS

The average monthly head count was 12 (2018 - 17) and the average monthly full time number of staff employed by the charity during the period was as follows:

	2019	2018
Mentoring & Parent Programme	8.5	12.0
Quality & Evaluation	0.4	1.0
Girls project	1.5	1.0
Support and governance	0.3	0.8
Fundraising	0.8	1.0
	<u>11.5</u>	<u>15.8</u>

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NOTES TO THE ACCOUNTS (Cont/d)

FOR THE YEAR ENDED 31ST MARCH 2019

10. TANGIBLE FIXED ASSETS

	Computer Equipment £	Fixtures, Fittings & equipment £	Database £	TOTAL £
<u>COST</u>				
Opening balance	102,397	29,201	23,646	155,244
Additions	1,714	-	-	1,714
Disposals	(86,637)	(16,359)	-	(102,996)
Closing balance	<u>17,474</u>	<u>12,842</u>	<u>23,646</u>	<u>53,962</u>
<u>DEPRECIATION</u>				
Opening balance	97,336	21,314	5,912	124,562
Disposals	(86,637)	(16,359)	-	(102,996)
Charge for the year	1,130	1,183	5,911	8,224
Closing balance	<u>11,829</u>	<u>6,138</u>	<u>11,823</u>	<u>29,790</u>
<u>NET BOOK VALUES</u>				
As at 31st March 2019	<u>5,645</u>	<u>6,704</u>	<u>11,823</u>	<u>24,172</u>
As at 31st March 2018	<u>5,061</u>	<u>7,887</u>	<u>17,734</u>	<u>30,682</u>

11. DEBTORS

	2019 £	2018 £
Grant debtors	17,600	15,718
Other debtors	3,360	6,585
Prepayments	954	-
	<u>21,914</u>	<u>22,303</u>

12. CREDITORS: amounts falling due within one year

	2019 £	2018 £
Trade Creditors	11,339	4,828
Taxation and social security	12,419	16,629
Deferred income (Note 13)	260,232	111,038
Other creditors	2,816	3,106
Accruals	7,912	5,340
	<u>294,718</u>	<u>140,941</u>

13. DEFERRED INCOME

	2019 £	2018 £
Balance as at 1st April 2018	111,038	190,746
Amount released to income in the year	(107,913)	(190,746)
Amount deferred in the year	257,107	111,038
Balance as at 31st March 2019	<u>260,232</u>	<u>111,038</u>

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FOR THE YEAR ENDED 31ST MARCH 2019

Deferred income represents the following grant income:

- Big Lottery Fund £82,215 towards costs of developing and evaluating the My Future mentoring programme in 2019/20.
- City Bridge Trust £6,925 towards the cost delivering mentoring services in 2019/20.
- Charles Hayward Foundation £25,000 towards the mentoring and parent support in Lambeth in 2019/20.
- Cripplegate Foundation £3,125 towards the cost of Islington Parent Programme Manager for 2019/20.
- Cripplegate Foundation – Islington Giving £12,633 towards the cost of Islington Early Intervention Mentoring Programme & Parent Programme Manager for 2019/20.
- Future £10,000 towards the cost of mentoring activities for two children attending the Future Academy Trust schools for 2019/20.
- Garfield Weston Foundation unrestricted funding for the periods 2019/20 and 2020/21 of £50,000 per annum.
- Home Office £12,000 towards the cost of recruiting, training and supporting volunteers in 2019/20.
- Walcot Foundation £8,334 towards the costs of mentoring and family support in south London in 2019/20.

14. ANALYSIS OF MOVEMENT IN FUNDS

	Balance at 01.04.18 £	Income £	Expenditure £	Balance at 31.03.19 £
Unrestricted Funds				
General funds	161,740	346,340	267,105	240,975
	<u>161,740</u>	<u>346,340</u>	<u>267,105</u>	<u>240,975</u>
Restricted Funds				
Mentoring & Parent programme	4,176	411,711	371,736	44,151
Quality & evaluation	-	30,000	30,000	-
Girls programme	-	45,000	45,000	-
Professional advice	-	3,000	3,000	-
Administration support	-	6,120	6,120	-
Meeting space	-	7,000	7,000	-
	<u>4,176</u>	<u>502,831</u>	<u>462,856</u>	<u>44,151</u>
Total charity funds	<u>165,916</u>	<u>849,171</u>	<u>729,961</u>	<u>285,126</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.

Restricted funds:

Mentoring & Parent programmes

This is the core of the work of Chance UK employing 5 Programme Managers to manage 140 mentoring relationships, 2 Senior Programme Managers who oversee and develop this work. The Volunteer Recruitment and Communications Officer is employed to recruit the 140 volunteers that are needed every year to carry out this work. This work is overseen by the CEO.

Chance UK also 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.

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FOR THE YEAR ENDED 31ST MARCH 2019

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 is a programme aiming to prevent exploitation of girls by identifying potentially vulnerable 5-11 year-old girls at primary school – and intervening to prevent difficulties in the future. This positive and empowering service is available to girls who are vulnerable due to a combination of pressures either in their local area, school, home or their relationships.

Professional advice, Administration services and Meeting space

Charity is indebted to organisations and individuals who provided pro bono services and free accommodation to the charity.

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Total 2018
Tangible fixed assets	24,172	-	24,172	30,682
Net current assets	216,803	44,151	260,954	135,234
	<u>240,975</u>	<u>44,151</u>	<u>285,126</u>	<u>165,916</u>

16. OPERATING LEASE COMMITMENTS

The charity has operating lease commitments as shown below:

	Land & buildings		Other	
	2019 £	2018 £	2019 £	2018 £
Under one year	48,000	48,000	2,998	3,246
Two to five years	316,000	364,000	563	3,561
	<u>364,000</u>	<u>412,000</u>	<u>3,561</u>	<u>6,807</u>

17. PENSION COMMITMENTS

During the year the company had paid contributions to the pension fund of £20,588 (2018 – £30,346). The charity had accrued pension contributions of £2,816 (2018 - £ 2,790).