

COMPANY REGISTRATION NUMBER: 03162045
CHARITY REGISTRATION NUMBER: 1058648

Making The Leap
Company Limited by Guarantee
Financial Statements
Year Ended
31st March 2018

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Company Limited by Guarantee
Financial Statements
Year Ended 31st March 2018

	Page
Trustees' Annual Report (Incorporating the Director's Report)	1
Independent Auditor's Report to the Members	12
Statement of Financial Activities (Including Income and Expenditure Account)	16
Statement of Financial Position	17
Statement of Cash Flows	18
Notes to the Financial Statements	19
Management Accounts	27

Making The Leap
Company Limited by Guarantee
Trustees' Annual Report (Incorporating the Director's Report)
Year Ended 31st March 2018

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31st March 2018.

Reference and Administrative Details

Registered charity name	Making The Leap
Charity registration number	1058648
Company registration number	03162045
Principal office and registered office	Harriet Tubman House Hazel Road Kensal Green London NW10 5PP

The Trustees

Mr A Boucher	
Ms D Overall	
Mr M Horton	
Ms S Jordansson	
Mr A May	
Mr A Nooriala	
Mr P Riseborough	
Mr M Keenan	
Mr N Cheffings	(Appointed 29 th October 2018)
Mr O A Babarinde	(Appointed 29 th October 2018)
Ms K Eden-Green	(Appointed 29 th October 2018)
Mrs A Chhania	(Appointed 29 th October 2018)
Dr J Paine	(Resigned 23 rd July 2018)
Mr M Evans	(Resigned 10 th May 2017)
Mr P Moss	(Resigned 17 th January 2018)
Mr P Stevens	(Resigned 17 th January 2018)

Auditor	Nigel Wilson & Co Accountants & statutory auditor 4th Floor 100 Fenchurch Street London EC3M 5JD
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Bankers	The Co-Operative Bank Business Direct PO Box 250 London England WN8 6WT
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Making The Leap

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) (*continued*)

Year Ended 31st March 2018

Structure, Governance and Management

Governing document

The company is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 21st February 1996. It is a registered charity, number 1058648. The objectives are the benefit of the public in London and elsewhere in the United Kingdom and in particular for the benefit of those members of the public who may be young and disadvantaged by improving social mobility through the provision of advice, information, support, training and education. There have been no changes in the objects since the last annual report.

Recruitment of Trustees

The management of the company is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

Trustee induction and training

An induction has been developed to ensure that any newly appointed trustee receives training on all matters necessary to enable them to perform their duties effectively. This may be tailored to their specific needs but covers as a minimum: governance and management; equal opportunities; a thorough induction to the history and current activities of the organisation; sufficient explanation of the charity's financial accounts and reporting procedures to enable them to exercise effective fiscal oversight; explanation of all the charity's policies including those relating to trustee expenses and how they can be claimed.

The Chief Executive is responsible for ensuring that the induction process is arranged and completed.

Organisational structure

The Trustees provided governance and oversight of Making The Leap operations during the year. Four groups are in place with each of the Trustees sitting on at least one grouping. The Finance & General Purpose Committee is a standing group and Marketing, IT and Policy are "task and finish" groups that sit according to need. The Chief Executive had delegated authority to manage day to day activities and to sign contracts on behalf of the Management Committee in line with the organisation's objectives.

Risk management

The Trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

Objectives and Activities

Social Mobility

At Making The Leap we are concerned that in the UK, the income of parents is the strongest indicator of their child's future achievement in school and career. Social mobility is a hot topic issue, and the Prime Minister, Theresa May, stated that it was the principal goal of her government's social policy. A 2014 report from the Social Mobility Commission (previously the Social Mobility & Child Poverty Commission) shows that social mobility in the UK is amongst the lowest in the developed world. Furthermore, the seven per cent of young people attending private schools have hugely increased chances of reaching the very top of this country's institutions and industries and are ten times more likely to go to Oxbridge than the poorest youngsters. The flip side is that poor pupils are over twice as likely to become NEET (Not in Employment, Education or Training) compared to wealthier pupils. The reasons for concern about the lack of social mobility are not just about fairness but also that it leaves the country's economic potential unfulfilled. Some of the key facts around social mobility are:

Making The Leap

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year Ended 31st March 2018

Objectives and Activities *(continued)*

- In the UK, how much a child's parents earn is the biggest factor in how well that child will do in life (*Social Mobility Commission, "The State of the Nation Report", 2014*)
- A bright child from a poor family will be overtaken by an average ability child from a wealthier family by the time they take their GCSEs (*Social Mobility Commission, The State of the Nation Report, 2014*)
- A quarter of the rich/poor gap at GCSE attainment is due to differences in attitude and aspirations (*Chowdry, Crawford & Goodman, "The role of attitudes and behaviours in explaining socioeconomic differences in attainment at age 16", 2011*)
- Many talented young people in our society are not getting equal opportunities to access the top jobs: for example, only a quarter of boys from working-class backgrounds get middle-class (professional or managerial) jobs (*Social Mobility Commission, "Elitist Britain?", 2014*)
- Increasing social mobility could benefit the UK economy by up to £140 billion a year (www.suttontrust.com/newsarchive/140-billion-year-cost-low-social-mobility/)

Soft Skills

Most efforts on improving social mobility are focused on increasing the educational attainment of the poorest pupils and those in the worst state schools. However, a report from the Social Mobility Commission in June 2015 showed that even when poorer children had managed to achieve the required qualifications, they were often held back by their less developed soft skills, which are often taught or emphasised more in private or state-selective schools. Soft skills are commonly considered to include the ability to listen well, communicate effectively, be positive, manage conflict, accept responsibility, be resilient, build trust, work well with others, manage time effectively, accept criticism, work under pressure, be likeable and demonstrate good manners. These soft skills are crucial, with 93 per cent of employers considering them to be just as important as or more important than hard skills when evaluating job candidates (*Development Economics, "The Value of Soft Skills to the UK Economy", 2015*). Furthermore, developed soft skills can boost an individual's lifetime earnings by up to 15 per cent (*Development Economics, "The Value of Soft Skills to the UK Economy", 2015*).

At Making The Leap, we have created interventions to develop the soft skills of the young people we serve, as we recognise that they not only contribute to the gap in educational attainment, but that they are often the deciding factor where educational attainment is equal. We believe that the training that we provide is "truly responsive to the needs of employers" and does "genuinely equip the trainee for the workplace", as called for in a government report published in 2013 (*Department for Education and the Department for Business, Innovation & Skills, "Rigour and Responsiveness in Skills"*).

The development of soft skills is also crucial to the UK economy: soft skills are currently worth over £88bn in Gross Added Value; an amount which is expected to grow in real terms to £109bn by 2020 and £127bn by 2025. In London, the importance of soft skills was valued at £20.4bn in 2012, and is predicted to rise to £30.6bn by 2020 (*Development Economics, "The Value of Soft Skills to the UK Economy", 2015*). A lack of soft skills can cause major problems for businesses, as they result in diminished productivity, competitiveness and profitability.

Making The Leap

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) (*continued*)

Year Ended 31st March 2018

Achievements and Performance

It was a busy and successful year for the charity with a big increase in numbers of young people served in 2017/18 to 10,169, with 8,070 of those being in schools. We are also pleased to report a cash surplus for the second year running, which left us with £175,107 in the bank. There were a number of major events during the year, which are reported here:

Fundraising Gala

We held our last fundraising gala at the Waldorf Hilton Hotel on 20th April 2017, which was hosted by TV and Radio presenter, Andrew Castle. Over 200 people attended the event which raised vital funds towards enabling us to continue running excellent programmes for children in schools and training for young adults. The highlight of the evening was a compelling tribute to the charity by one of our Fellows who had been supported in getting a life-changing job at one of the US tech giants.

The fundraising gala raised more than £130k.

UK Social Mobility Awards

The UK Social Mobility Awards (SOMOs) are a unique set of awards created by Making The Leap, and launched in January 2017, to advance the cause of social mobility in this country by raising awareness and celebrating the people and organisations that are committed to bringing about change. The entries for the SOMOs were opened in April 2017 and closed at the end of June. We were thrilled to receive 105 submissions from organisations across the country, around 70 in all, including many household names. We assembled a high-quality judging panel made up of leading figures from business, charity, politics and the public sector, that met in July to decide the winners. The event culminated in a gala dinner held at the London Marriott Hotel Grosvenor Square, where the winners were announced, on October 12th 2017.

Social Mobility Careers Fair

In November 2017, the Central Methodist Hall Westminster was once again the scene for our annual Social Mobility Careers Fair. Corporate exhibitors amongst others included, Barclays, Costain Skanska, Coutts, CMC Markets, EY, Ferrovial, Fremantle Media, HSBC, Deloitte, DP World Gateway, EY, Pentland Brands, RAF, Rothschild. As a result of attending the event Making The Leap Fellows were placed into jobs and work placements at HSBC, Jack Morton and PwC.

In total, 167 young people attended the fair from across 22 London Boroughs.

Feedback from the young people who attended the fair:

- 82% of young people felt the advice they received from the employers was 'Good' or 'Excellent'
- 100% of young people felt the advice they received from the Making The Leap staff was 'Good' or 'Excellent'
- 91% felt the Careers Fair had helped them in their job searching
- 98% of young people would recommend the careers fair to their friends

Feedback from the employers who attended the Careers Fair:

- 75% of the companies who attended said that they would be recruiting as a result of the event and 25% said that they would possibly be recruiting
- 100% of companies rated the quality of the young people who attended as either 'Good' or 'Excellent'

Making The Leap

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year Ended 31st March 2018

Achievements and Performance *(continued)*

Raising University Aspirations

The Raising University Aspiration has now become a regular feature in our annual events calendar and this year once again students who attend disadvantaged London schools had an excellent opportunity to engage with top Universities. 400 students attended from 13 schools who benefitted from interacting with 15 Russell Group Universities.

81% of all pupils who came to the RUA felt inspired by it to attend university and 73% of pupils said that they felt the event had raised their aspirations.

Performance

We are measuring our progress towards the achievement of three strategic aims by 2020/21, which are: to increase the number of young people served & grow beyond London; to enhance the awareness of our organisation and to become more financially sustainable. Underpinning our priorities are a number of goals that have been used both as a guide and a measurement towards the fulfilling of our aims.

Strategic Aim - To Serve More Young People

We have four goals by which we will measure our strategic aim to serve more young people. These are:

Goal 1. Be in 50 schools in London

Goal 2. Serving 12,500 young people per year: 10,000 school children and 2,500 young adults

Goal 3. To Have 300 volunteers

Goal 4. To Operate in 2 cities

Goal 1. Be in 50 schools in London

	Actual FY16/17	Actual FY17/18
Presence in number of London Schools	31	32

Our heritage is London, and there are nearly 350 secondary schools in London that would fit our criteria for working with them (scoring high on the IDACI or having high numbers of pupils on free school meals). There is huge potential to continue to grow within the capital and we intend to increase our presence here. We were in 31 schools in 2016/17 and there was an increase by one to 32 schools, however as we did more on average with each school, this was sufficient to see us significantly increase the number of children we served. It is still our plan to be in 50 schools in London by 2020/21.

Goal 2. Serving 12,500 young people per year: 10,000 school children and 2,500 young adults

	Actual FY16/17	Actual FY17/18
Number of school children	5,655	8,070
Number of young adults	1,100	2,099

We deliver a variety of interventions within schools, all aimed at raising the aspirations and increasing the access to opportunities of the pupils. These programmes include soft skills delivery, mock interviews, special events and other bespoke interventions. We worked with 8,070 school children in the period, significantly up from the 5,655 we did in the previous year.

With reference to young adults, that is young people who are from socio-economically disadvantaged backgrounds aged 18-25, we worked with 2,099 people. Each of them receiving, as a minimum, initial individual advice and guidance.

Making The Leap
Company Limited by Guarantee
Trustees' Annual Report (Incorporating the Director's Report) (continued)
Year Ended 31st March 2018

Achievements and Performance (continued)

Goal 3. To Have 300 volunteers

	Actual FY16/17	Actual FY17/18
Number of volunteers	239	495

Those who volunteer their time to support our delivery to young people play an important role, because research shows that children who receive 5 or more employer interactions are much less likely to become NEET. So, whilst the number of volunteers does not necessarily correlate to the number of young people we serve, it is an important metric that we observe. In the year 2017/18 we had more than double the 239 volunteers on our 2016/17 programmes, with 495.

Goal 4. To Operate in 2 cities

	Actual FY16/17	Actual FY17/18
Number of cities	1	1

We expect to have taken our programmes outside of the capital by the end of 2020/21. The Board has adopted plans that this will take place by working with affiliate organisations already serving communities outside the capital, rather than by us opening offices in those communities and competing with them (local community organisations).

Strategic Aim - Enhance Awareness of the Organisation

After 24 years of existence we took the decision to define ourselves more clearly. We are a leading grassroots delivery charity that provides direct services to young people in London. Alongside that though, our longevity, credibility and commitment to the advancement of social mobility, meant that we could launch our UK Social Mobility Awards initiative with gusto. The UK Social Mobility Awards brand, wholly owned by Making The Leap, is a vehicle for enhancing awareness of the charity and by promoting the Awards it has the effect of promoting the charity.

We also planned to use social media to broaden our reach, get involved via the awards in the national conversation on social mobility, publicise our work and to engage with young people.

In order to achieve this aim, the organisation has the following goals:

Goal 1. To Increase number of users

Goal 2. To Increase article and media mentions

Goal 3. To Increase followers, subscribers and likes on social media

Goal 1. To increase number of users

	Actual FY16/17	Actual FY17/18
Number or users (mtl.org.uk)	11,248	10,120
Number or users (the-uksma.org)		7,621

There were 11,248 users of the mtl.org.uk site in 2016/17, and 10,120 of the same site in 2017/18. However, the establishment of the separate the-uksma.org site, which had 7,621 users, meant that we had a total of 17,741 users in the year.

Making The Leap

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) (continued)

Year Ended 31st March 2018

Achievements and Performance (continued)

Goal 2. To increase article and media mentions

	Actual FY16/17	Actual FY17/18
Making The Leap		2
UKSMA		9

We began the activity of writing press releases and pitching to publications in 2017/18 and there were 2 mentions of Making the Leap in our own right and 9 mentions of the UK Social Mobility Awards which usually included the words "organised by Making the Leap".

Goal 3. To increase followers, subscribers and likes on social media

	Actual FY16/17	Actual FY17/18
Facebook (MTL)	658	716
Twitter (MTL)	1,111	1,186
Instagram (MTL)	290	350
Linkedin (MTL)	817	910
Twitter (UKSMA)	55	445
Newsletter subscribers	166	398

There were increases of number of subscribers/followers from the previous year, on all of the Making The Leap social channels, with a much bigger increase on the Awards Twitter which was created in February 2017. We began to give Making The Leap Fellows the opportunity to work on the main charity channels to help us ensure that content was as relevant to our audience as possible.

Financial Review

Funders, Grants and Sponsors

Making The Leap is grateful to the companies, trusts & foundations and individuals who supported Making The Leap and enabled us to transform futures by raising the aspirations of young people, and helping them to develop the skills, behaviours and attitudes needed to succeed in the careers of their choosing. We say thank you for the generosity and foresight of HSBC, PwC, John Lyons Charity, The Henry Smith Charity, Royal Air Force, The Rank Foundation, BNP Paribas, The Telegraph Media Group, The Ask Charitable Trust, CMC Markets, The Peter Cruddas Foundation, London Town Group, St. James' Place Foundation, Foxtons, The Donald Forrester Trust, The Romeera Foundation, The Brocklebank Charitable Trust, Tableau, The Worshipful Company of Curriers, and all our other supporters.

Overview

We increased our income to £817,526 in 2017/18, which was a rise of £86,903 on the 2016/17 income of £730,623. Our expenditure increased too to £806,292 and we are pleased to have achieved a surplus for the second year running, this time of £11,234.

The increased expenditure was due to an increase in staff costs of £40,002 (£604,774 in 2017/18 from £564,772 the previous year) and the costs associated with the new UK Social Mobility Awards (SOMOs) of £69,824. These increases were mitigated by a reduction in the fundraising costs of £10,200 in the year. There was an increase in the staff headcount of one new person in the training team and there were small pay increases for all the managerial staff below senior management.

Making The Leap

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) (*continued*)

Year Ended 31st March 2018

Financial Review (*continued*)

The income from our fundraising gala was less, at £131,185, compared to £178,892 the previous year, but this income was topped by our generating £241,620 of income from the very first year of the SOMOs.

We have reclassified our freehold office building as unrestricted funds as this property never came to the charity under any endowment arrangement and is unrestricted. We can sell it or use it as collateral as the charity's needs dictate.

Performance

We are measuring our progress towards the achievement of a strategic aim of becoming more financially sustainable.

Strategic Aim - To Grow Income and Become More Sustainable

This strategic aim (to grow income and become more sustainable) is a necessary one, but it comes within the context of shrinking public funding via austerity and a trend for public sector grants that used to be ring-fenced for charities being opened up, and indeed preference given, to private sector companies. The difficult environment resulted in many charities closing their doors permanently, with the most notable collapse being the sad folding of the long-established and respected charity, Tomorrow's People, in January 2018. This makes it more imperative than ever that we increase financial sustainability.

The organisation has the following goals to achieve this aim:

Goal 1. Increase earned income streams

Goal 2. Develop and implement fundraising strategy

Goal 3. Generate three months of cash reserves (numbers cumulative)

Goal 1. Increase earned income streams

	Actual FY16/17 £	Actual FY17/18 £
Generated income	120,960	416,035

In 2016/17 we only generated £120,960 of earned income and there was a massive jump to £416,035 in 2017/18, mainly as a result of £241,620 from the SOMOs. This is the highest the organisation has ever achieved in terms of generating funds through mission-related enterprise and is the first time that a majority of our income was so generated.

Goal 2. Develop and implement fundraising strategy

	Actual FY16/17 £	Actual FY17/18 £
Fundraising income	609,663	401,491

We achieved £401,491 of fundraising income in 2017/18 through a combination of grants and donations (£270,304) and the fundraising gala (£131,187) in fundraising income for the year. This is a big drop from the previous year where fundraising income was £609,663, but this was more than compensated for by the increase in generated income.

Making The Leap
Company Limited by Guarantee
Trustees' Annual Report (Incorporating the Director's Report) (continued)
Year Ended 31st March 2018

Financial Review (continued)

Goal 3. Generate three months of cash reserves (numbers cumulative)

	Actual FY16/17	Actual FY17/18
	£	£
Cash reserves	145,952	175,107

We managed to achieve a surplus for the second successive year and we ended up with £175,107 in the bank.

Plans for Future Periods

The plan is to continue working towards achieving the three key strategic aims in FY18/19, but to develop a new strategic plan by the last quarter of 2018/19 for the years 2019/20 - 2022/23. We plan to increase the size of the UK Social Mobility Awards, receive more coverage and form more alliances to help establish the initiative as a fixture in the social mobility calendar.

To increase the number of young people served

Goal 1. Be in 50 schools in London

	Actual FY17/18	Target FY18/19
Presence in number of schools in London	32	38

Our target for 2018/19 is to work with 38 schools. How we will work with them will be dependent on each individual school's need, but we have plans in place, taking advantage of the Gatsby Report, to ensure that we meet the target number.

Goal 2. Serving 12,500 young people per year: 10,000 school children and 2,500 young adults

	Actual FY17/18	Target FY18/19
Number of school children	8,070	9,700
Number of young adults	2,099	2,300

We have set ourselves a target of working with 12,000 young people in 2018/19, increasing both the numbers of school children and young adults. Our plan is to work with increased numbers of schools, thereby increasing the number of pupils we will work with. Our Raising University Aspirations event in November 2018 will be bigger than it has been before and we will run more mock interview days for whole year groups. On young adults, we will recruit an additional member in the Engagement Team to help maintain our drive to recruit more people onto our programmes and also an additional member into the Delivery team to support young adults once they have completed our training.

Goal 3. To have 300 volunteers

	Actual FY17/18	Target FY18/19
Number of volunteers	495	500

It is our plan to maintain the numbers of volunteers, but also to embed a small cohort of them to provide mentoring/coaching support to our young adults once they have finished on our workshop.

Making The Leap
Company Limited by Guarantee
Trustees' Annual Report (Incorporating the Director's Report) (continued)
Year Ended 31st March 2018

Plans for Future Periods (continued)

Goal 4. To operate in two cities

	Actual FY17	Target FY18
Number of cities	1	1

To enhance awareness of the organisation

Our plan for 2018/19 to enhance the awareness of the organisation is to recruit a Media & Communications Manager to engage with any pro-bono PR support and to contact publications to get stories in the press. We will continue developing our social channels, launching Instagram and LinkedIn for the SOMOs and steadily increasing the numbers of subscribers.

Goal 1. To increase number of users

	Actual FY17/18	Target FY18/19
Website users - makingtheleap.org.uk	10,120	11,000
Website users - the-uksma.org	7,621	10,000

Goal 2. To Increase article and media mentions

	Actual FY17/18	Target FY18/19
Articles and media mentions - Making The Leap	2	5
Articles and media mentions - UKSMA	9	12

Goal 3. To increase followers, subscribers and likes on social media

	Actual FY17/18	Target FY18/19
Facebook (MTL)	716	1,000
Twitter (MTL)	1,186	1,500
Instagram (MTL)	350	500
LinkedIn (MTL)	910	1,200
Facebook (UKSMA)		100
Twitter (UKSMA)	445	800
Instagram (UKSMA)		250
LinkedIn (UKSMA)		300
Newsletter subscribers	398	700

Making The Leap

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year Ended 31st March 2018

Trustees' Responsibilities Statement

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

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

Auditor

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

Small Company Provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small company's exemption.

The trustees' annual report was approved on 18th December 2018 and signed on behalf of the board of trustees by:



Mr A May
Trustee

Making The Leap

Company Limited by Guarantee

Independent Auditor's Report to the Members of Making The Leap

Year Ended 31st March 2018

Opinion

We have audited the financial statements of Making The Leap (the 'charity') for the year ended 31st March 2018 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes, 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's members, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31st March 2018 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;
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

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

Making The Leap

Company Limited by Guarantee

Independent Auditor's Report to the Members of Making The Leap (*continued*)

Year Ended 31st March 2018

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

Matters on Which We are Required to Report by Exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 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; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Making The Leap

Company Limited by Guarantee

Independent Auditor's Report to the Members of Making The Leap (*continued*)

Year Ended 31st March 2018

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors for the purposes of company law) 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 trustees 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 trustees are responsible for assessing the charity'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 trustees either intend to liquidate the charity 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Making The Leap

Company Limited by Guarantee

Independent Auditor's Report to the Members of Making The Leap (*continued*)

Year Ended 31st March 2018

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Niles Patel FCCA (Senior Statutory Auditor)

For and on behalf of
Nigel Wilson & Co
Accountants & statutory auditor
4th Floor
100 Fenchurch Street
London
EC3M 5JD

18th December 2018

Making The Leap

Company Limited by Guarantee

Statement of Financial Activities (Including Income and expenditure account) Year Ended 31st March 2018

		2018			2017
	Note	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
Income and endowments					
Grants and Donations	5	38,420	231,884	270,304	430,771
Charitable activities:					
Generated Income - SOMOs	6	241,620	–	241,620	–
Other generated income	6	127,142	–	127,142	72,030
Fundraising	6	131,185	–	131,185	178,892
Investment income	7	47,275	–	47,275	48,930
Total Income		585,642	231,884	817,526	730,623
Expenditure					
Expenditure on raising funds:					
Costs of generating income - SOMOs	8	69,824	–	69,824	–
Costs of fundraising	8	35,695	–	35,695	45,895
Expenditure on charitable activities	5,9,10	75,663	625,110	700,773	681,835
Total expenditure		181,182	625,110	806,292	727,730
Net Income		404,460	(393,226)	11,234	2,893
Transfers between funds		(394,000)	394,000	–	–
Net movement in funds		10,460	774	11,234	2,893
Reconciliation of funds					
Total funds brought forward		710,766	1,443	712,209	709,316
Total funds carried forward		721,226	2,217	723,443	712,209

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 19 to 26 form part of these financial statements.

Making The Leap
Company Limited by Guarantee
Statement of Financial Position
31st March 2018

	Note	2018 £	£	2017 £	£
Fixed Assets					
Tangible fixed assets	16		617,139		630,021
Current Assets					
Debtors	17	43,914		59,487	
Cash at bank and in hand		<u>175,107</u>		<u>145,952</u>	
		219,021		205,439	
Creditors: Amounts Falling due Within One Year	18	<u>112,717</u>		<u>107,351</u>	
Net Current Assets			106,304		98,088
Total Assets Less Current Liabilities			723,443		728,109
Creditors: Amounts Falling due after More than One Year	19		—		15,900
Net Assets			<u>723,443</u>		<u>712,209</u>
Funds of the Charity					
Restricted funds			2,217		1,443
Unrestricted funds			<u>721,226</u>		<u>710,766</u>
Total charity funds	21		<u>723,443</u>		<u>712,209</u>

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

These financial statements were approved by the board of trustees and authorised for issue on 18th December 2018, and are signed on behalf of the board by:



Mr A May
Trustee

The notes on pages 19 to 26 form part of these financial statements.

Making The Leap
Company Limited by Guarantee
Statement of Cash Flows
Year Ended 31st March 2018

		2018 £	2017 £
	Note		
Cash Flows from Operating Activities			
Net income		11,234	2,893
<i>Adjustments for:</i>			
Depreciation of tangible fixed assets	16	14,182	14,852
Rent receivable	7	(47,275)	(48,842)
Other interest receivable and similar income		—	(88)
Interest payable and similar charges		1,960	3,845
<i>Changes in:</i>			
Trade and other debtors	17	15,573	(31,228)
Trade and other creditors (excluding borrowings)	18/19	15,356	48,075
Cash generated from operations		11,030	(10,493)
Interest paid		(1,960)	(3,845)
Interest received		—	88
Net cash from/(used in) operating activities		<u>9,070</u>	<u>(14,250)</u>
Cash Flows from Investing Activities			
Rent receivable	7	47,275	48,842
Purchase of tangible assets	16	(1,300)	—
Net cash from investing activities		<u>45,975</u>	<u>48,842</u>
Cash Flows from Financing Activities			
Repayments of borrowings	18/19	(25,890)	(24,267)
Net cash used in financing activities		<u>(25,890)</u>	<u>(24,267)</u>
Net Increase in Cash and Cash Equivalents		29,155	10,325
Cash and Cash Equivalents at Beginning of Year		145,952	135,627
Cash and Cash Equivalents at End of Year		<u>175,107</u>	<u>145,952</u>

The notes on pages 19 to 26 form part of these financial statements.

Making The Leap
Company Limited by Guarantee
Notes to the Financial Statements
Year Ended 31st March 2018

1. General Information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Harriet Tubman House, Hazel Road, Kensal Green, London, NW10 5PP.

2. Statement of Compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting Policies

Basis of Preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going Concern

There are no material uncertainties about the charity's ability to continue.

Judgements and Key Sources of Estimation Uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fund Accounting

Unrestricted funds are funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised for particular purposes. The costs of raising and administering such funds are charged against the specific fund.

Investment income, gains and losses are allocated to the appropriate fund.

Making The Leap

Company Limited by Guarantee

Notes to the Financial Statements (*continued*)

Year Ended 31st March 2018

3. Accounting Policies (*continued*)

Incoming Resources

Income

All income is included in the statement of financial activities when the charity is entitled to the income, any performance related conditions attached have been met or are fully within the control of the charity, the income is considered probable and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Donated services or facilities, which comprise donated services, are included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. No income is recognised where there is no financial cost borne by a third party.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Resources Expended

Expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities, they have been allocated on a basis consistent with the use of the resources.

Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out at Headquarters.

Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Tangible Assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property	-	2% straight line
Fixtures and fittings	-	33% straight line
Office equipment	-	25% straight line

Making The Leap
Company Limited by Guarantee
Notes to the Financial Statements (*continued*)
Year Ended 31st March 2018

3. Accounting Policies (*continued*)

Financial Instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Defined Contribution Plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

4. Limited by Guarantee

Making The Leap is a company limited by guarantee and accordingly does not have share capital.

5. Grants and Donations

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
Donations			
Grants and Donations	<u>38,420</u>	<u>231,884</u>	<u>270,304</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
Donations			
Grants and Donations	<u>44,751</u>	<u>386,020</u>	<u>430,771</u>

6. Charitable Activities

	Unrestricted Funds £	Total Funds 2018 £	Unrestricted Funds £	Total Funds 2017 £
Generated income SOMOs	241,620	241,620	-	-
Other generated income	127,142	127,142	72,030	72,030
Fundraising	131,185	131,185	178,892	178,892
	<u>499,947</u>	<u>499,947</u>	<u>250,922</u>	<u>250,922</u>

Making The Leap

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year Ended 31st March 2018

7. Investment Income

	Unrestricted Funds	Total Funds 2018	Unrestricted Funds	Total Funds 2017
	£	£	£	£
Rental income - Community centre	47,275	47,275	48,842	48,842
Bank interest receivable	—	—	88	88
	<u>47,275</u>	<u>47,275</u>	<u>48,930</u>	<u>48,930</u>

8. Generated and Fundraising costs

	Unrestricted Funds	Total Funds 2018	Unrestricted Funds	Total Funds 2017
	£	£	£	£
SOMOs	69,824	69,824	—	—
Fundraising	35,695	35,695	45,895	45,895
	<u>105,519</u>	<u>105,519</u>	<u>45,895</u>	<u>45,895</u>

9. Expenditure on Charitable Activities by Fund Type

	Unrestricted Funds	Restricted Funds	Total Funds 2018
	£	£	£
Wages and salaries	—	459,092	459,092
National insurance	—	45,920	45,920
Pension cost	—	57,609	57,609
Event costs	—	9,525	9,525
Course participant travel	—	3,996	3,996
Maintenance	—	10,469	10,469
Utilities	—	2,799	2,799
Support costs	75,663	35,700	111,363
	<u>75,663</u>	<u>625,110</u>	<u>700,773</u>

	Unrestricted Funds	Restricted Funds	Total Funds 2017
	£	£	£
Wages and salaries	3,370	426,332	429,702
National insurance	—	42,140	42,140
Pension cost	14,070	36,713	50,783
Event costs	—	12,446	12,446
Course participant travel	—	5,064	5,064
Maintenance	3,999	1,292	5,291
Utilities	3,908	—	3,908
Support costs	80,472	52,027	132,501
	<u>105,819</u>	<u>576,014</u>	<u>681,835</u>

Making The Leap

Company Limited by Guarantee

Notes to the Financial Statements (*continued*)

Year Ended 31st March 2018

10. Expenditure on Charitable Activities by Activity Type

	Activities undertaken directly	Support costs	Total funds 2018	Total fund 2017
	£	£	£	£
Wages and salaries	459,092	37,584	496,676	467,763
National insurance	45,920	3,069	48,989	44,851
Pension cost	57,609	1,500	59,109	52,158
Event costs	9,525	–	9,525	12,446
Course participant travel	3,996	–	3,996	5,064
Maintenance	10,469	–	10,469	5,291
Utilities	2,799	2,997	5,796	9,534
Travel and subsistence	–	1,497	1,497	1,981
Legal and professional fees	–	–	–	261
Telephone	–	8,889	8,889	8,877
Printing, postage and stationery	–	5,374	5,374	6,027
Storage costs	–	5,419	5,419	5,112
Computer expenses	–	5,574	5,574	8,375
Premises insurance	–	5,950	5,950	6,322
Entertaining	–	–	–	360
Consultancy fees	–	1,300	1,300	4,050
Subscriptions	–	7,506	7,506	11,588
Training	–	65	65	872
Recruitment costs	–	785	785	1,091
Governance costs	–	23,854	23,854	29,812
	<u>589,410</u>	<u>111,363</u>	<u>700,773</u>	<u>681,835</u>

In the opinion of the Trustees the above adequately analyses Support costs and so no further disclosure has been made.

11. Net Income

Net income is stated after charging/(crediting):

	2018 £	2017 £
Depreciation of tangible fixed assets	<u>14,182</u>	<u>14,852</u>

12. Auditors Remuneration

	2018 £	2017 £
Fees payable for the audit of the financial statements	<u>4,140</u>	<u>3,600</u>

Making The Leap
Company Limited by Guarantee
Notes to the Financial Statements (continued)
Year Ended 31st March 2018

13. Staff Costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2018	2017
	£	£
Wages and salaries	496,676	467,763
Social security costs	48,989	44,851
Employer contributions to pension plans	59,109	52,158
	<u>604,774</u>	<u>564,772</u>

The average head count of employees during the year was 17 (2017: 17). The average number of full-time equivalent employees during the year is analysed as follows:

	2018	2017
	No.	No.
Senior Management	2	2
Training	5	4
Corporate Partnerships	1	1
Support	1	1
Management, Admin & Finance	4	4
Community & Youth work	1	1
Associate Recruitment	2	2
Education	1	1
Participants Recruitment	1	1
	<u>18</u>	<u>17</u>

The number of employees whose remuneration for the year fell within the following bands, were:

	2018	2017
	No.	No.
£60,000 to £69,999	<u>1</u>	<u>1</u>

14. Trustee Remuneration and Expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees.

15. Transfers Between Funds

A transfer was made between the Restricted and Unrestricted funds to finance the ongoing activity in the restricted fund.

Making The Leap
Company Limited by Guarantee
Notes to the Financial Statements (continued)
Year Ended 31st March 2018

16. Tangible Fixed Assets

	Land and buildings £	Fixtures and fittings £	Equipment £	Total £
Cost				
At 1st April 2017	700,026	51,640	44,974	796,640
Additions	–	1,300	–	1,300
At 31st March 2018	700,026	52,940	44,974	797,940
Depreciation				
At 1st April 2017	70,005	51,640	44,974	166,619
Charge for the year	14,001	181	–	14,182
At 31st March 2018	84,006	51,821	44,974	180,801
Carrying amount				
At 31st March 2018	616,020	1,119	–	617,139
At 31st March 2017	630,021	–	–	630,021

17. Debtors

	2018 £	2017 £
Trade debtors	32,984	45,869
Prepayments and accrued income	8,658	11,446
Other debtors	2,272	2,172
	43,914	59,487

18. Creditors: amounts falling due within one year

	2018 £	2017 £
Bank loan	15,906	25,896
Trade creditors	2,855	1,483
Accruals and deferred income	68,740	55,220
Social security and other taxes	13,198	12,746
Other creditors	12,018	12,006
	112,717	107,351

19. Creditors: amounts falling due after more than one year

	2018 £	2017 £
Bank loan	–	15,900

Making The Leap
Company Limited by Guarantee
Notes to the Financial Statements (continued)
Year Ended 31st March 2018

20. Pensions and Other Post Retirement Benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £59,109 (2017: £52,158).

21. Analysis of Charitable Funds

Unrestricted funds

	At 1 April 2017 £	Income £	Expenditure £	Transfers £	At 31 March 2018 £
Unrestricted Fund	<u>710,766</u>	<u>585,642</u>	<u>(181,182)</u>	<u>(394,000)</u>	<u>721,226</u>

Restricted funds

	At 1 April 2017 £	Income £	Expenditure £	Transfers £	At 31 March 2018 £
Restricted Fund	<u>1,443</u>	<u>231,884</u>	<u>(626,110)</u>	<u>394,000</u>	<u>2,217</u>

22. Analysis of Net Assets Between Funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £	Total Funds 2017 £
Tangible fixed assets	617,139	–	617,139	630,021
Current assets	216,804	2,217	219,021	205,439
Creditors less than 1 year	(112,717)	–	(112,717)	(107,351)
Creditors greater than 1 year	–	–	–	(15,900)
Net assets	<u>721,226</u>	<u>2,217</u>	<u>723,443</u>	<u>712,209</u>