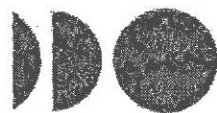


**Transitions UK**  
**Trustee's Report and Financial Statements for the year ending 31 May 2018**  
**Charity number: 1160105**

# **Transitions UK**

**Report of the Trustees and Unaudited Financial Statements**

**For the year ended 31 May 2018**



**transitions uk**  
support that changes young lives

**Transitions UK**  
**Trustee's Report and Financial Statements for the year ending 31 May 2018**  
**Charity number: 1160105**

**CONTENTS**

|                                      |         |
|--------------------------------------|---------|
| Reference and administrative details | 2       |
| Trustee's Report                     | 3 – 12  |
| Independent Examiner's Report        | 13      |
| Statement of Financial Activities    | 14      |
| Statement of Financial Position      | 15      |
| Notes to the financial statements    | 16 - 23 |

**Transitions UK**  
**Trustee's Report and Financial Statements for the year ending 31 May 2018**

**Charity number: 1160105**

**REFERENCE AND ADMINISTRATIVE INFORMATION**

|                                    |   |
|------------------------------------|---|
| <b>Name of Charity</b>             | Transitions UK  |
| <b>Charity registration number</b> | 1160105   |
| <b>Principal Address</b>           | 21 St Thomas Road<br>Luton<br>Bedfordshire<br>LU2 7UX |

**Trustees**

The trustees and officers serving during the year and since the year end were as follows:

Mr A E Sykes  
Mr Zee Razaq  
Mrs A. Winder (appointed 11 July 2018)  
Mr Devendra Rampersaud (resigned 11 July 2018)  
Mr GCW Downing (Removed 11 July 2017)  
Mr CLG Wright (Removed 19 September 2017)  
Mrs G Payne (Resigned 1 November 2017)

|                  |                |
|------------------|----------------|
| <b>Secretary</b> | Mr R J Overton |
|------------------|----------------|

|                  |              |
|------------------|--------------|
| <b>Treasurer</b> | Mr Zee Razaq |
|------------------|--------------|

|                |   |
|----------------|---|
| <b>Bankers</b> | Unity Trust Bank<br>Nine Brindley Place<br>Birmingham<br>B1 2HB |
|----------------|---|

|                    |   |
|--------------------|---|
| <b>Accountants</b> | Bulldog Accounting Limited<br>Kemp House<br>160 City Road<br>London<br>EC1V 2NX |
|--------------------|---|

|                             |   |
|-----------------------------|---|
| <b>Independent Examiner</b> | Richard Sadler<br>Accounting By Numbers<br>Maylands Business Centre<br>Redbourn Road<br>Hemel Hempstead<br>Hertfordshire<br>HP2 7ES |
|-----------------------------|---|

## **TRUSTEES REPORT**

The trustees present the annual report together with the financial statements of the charity for the year ended 31 May 2018.

### **Our Mission**

To make a significant positive impact upon the lives of 15-25 year olds in the UK who are struggling with poverty, unemployment and a range of personal and social issues (including young people with learning disabilities, those leaving care or who are at risk of offending or criminal exploitation, those with mental health and emotional needs). To do this by providing opportunities for personal development and by supporting an effective transition to a productive and healthy life.

To begin that process with determination and resourcefulness and to be a real force for lasting good by setting and achieving real and substantial goals and targets for our work.

### **Our Vision**

We want to live in a nation that provides young people with the best possible opportunities for a positive and productive life that in turn benefits those people whose lives they touch, including their own children and families. We want young people to have an alternative to the disillusion and powerlessness that so many feel; to be engaged in the process of positive change personally and socially.

We want our nation as a whole to be a force for good in working with other nations to encourage those same values across our increasingly populated and increasingly small yet needy world.

We believe it is possible to change the future of our nation and world: to give young people what they need to change their own world and to positively affect the lives of those they touch and with whom they share. Our vision is to make that happen.

### **Our Values**

- ✓ Affirming and Positive
- ✓ Honest and Transparent
- ✓ Mutually accountable
- ✓ Determined and Persistent
- ✓ Committed to Quality and Excellence
- ✓ Tolerant and Understanding
- ✓ Committed to Partnership and Joint Working

The Board of Trustees of Transitions UK, a Charitable Incorporated Organisation, presents its third Annual Report on the affairs of the charity, together with the financial statements and our accountants (unaudited) report for the year ended 31<sup>st</sup> May 2018. In preparing the report, the trustees have noted the guidance set down by the Charity Commission regarding public benefit.

## **Our third year's report for 2017/18**

### **A year of significant expansion and development; a year of challenge and achievement.**

Transitions UK was established in 2014, and registered as a charity on 16<sup>th</sup> January 2015.

The mission and purpose of the charity, to address the significant needs of young people in England and Wales, had been conceived on a charity trek to Everest Base Camp in 2012 and we worked hard to express what we want the charity to achieve, developing a business plan, mission and value statement and a road map for development.

Transitions UK provides support that changes young lives and work especially with 15-25 year olds who need support to make an effective transition towards adulthood, independence and a better future within the community.

We are not a single cause charity and seek to work across a range of disadvantage, among what has been termed a "lost generation" of young people. However, we identified from the outset, four cohorts of young people we especially wanted to work with:

- Young people with learning disabilities
- Young people at risk of offending
- Young people leaving care
- Young people with mental health and emotional needs.

As reported below, this year has seen us move from running one project/cohort in one unitary authority (Achieve, for Learning disabilities), to running two project/cohorts in two counties (we launched Aspire, for young people at risk of offending, in January). As we write, we have just launched our third project/cohort into a third county (Attain, for young people leaving care, launching in Milton Keynes in October 2018).

We are ambitious to make a substantial impact upon the pressing needs of our young people and we know we have distinctive contribution to make, both in terms of our overall models of delivery and overall approach. This is increasingly being recognised by funders and partners; indeed BBC Children in Need commented that when they read our proposal "the team got really excited because they had not seen anything quite like it". We want to make that impact eventually at national level and our business planning and determination has been to start locally, grow regionally and then expand nationally (a ten year plan) to a national footprint, working with major conurbations and regions.

It continues to be a huge challenge to raise charitable funds. We are still somewhat in start- up mode but we are moving strongly towards a regional presence across Herts, Beds, Bucks and North London. We continue to work tirelessly to increase our reputation and profile and with considerable sacrifice from key individuals

Honestly? It has been tougher than we imagined - but our passion and determination are winning through and we have attracted support and funding from significant funders, including BBC Children in Need (three year funding from 2019 at £30,000 p.a), National Lottery (Awards for All) and Lloyds Bank Foundation (3 year funding from 2018 at £25,000 p.a.), Garfield Weston Foundation. We are about a year behind our original 5 year business planning schedule but we have tried to balance ambition with realism and prudence.

**Transitions UK**  
**Trustee's Report and Financial Statements for the year ending 31 May 2018**

**Charity number: 1160105**

We are also working hard to enlist support from local businesses and to find sustainable stream of income, including our 100 (investment) club and our own business network group, called Collaborate. We have just (November 2018) recruited a paid community fundraiser and part timer Fundraising Manager) We have already achieved a great deal and built a platform for future development, but we do need further help and support if we are to move forward to the next level – something we are determined to do.

In presenting this set of accounts and annual report, the trustees have ensured that the accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and that they comply with the Charity's own constitution, the Charities Act 2011 and the Statement Of Recommended Practice "accounting and reporting by Charities" (SORP) issued in March 2005.

## **Governance, Structure and Management**

Governance – the charity's first Board meeting was on 14<sup>th</sup> October 2014 and the date of registration with the Charity Commission is 16<sup>th</sup> January 2015.

Trustees are approached personally, or advertised for. We have a clear procedure for recruitment, application, approval or rejection, induction and development. A duly completed application form is required, including references, and role and person specifications are clearly outlined. All trustees are DBS checked (as are staff and volunteers) in line with our safeguarding and equal opportunities policies. Trustees are supplied with appropriate information ahead of their considered application for Trusteeship. Trustees are appointed and supported in line with the charity constitution, the good trustee guide and other legislative guidance.

The Board of Trustees meets 5-6 times per year to fulfil their key role and function in overseeing and directing the affairs of the charity and ensuring that it is well run and delivering the charitable outcomes for which it is established. One of those meetings comprises an annual strategy day when the Trustees review their overall strategy for the charity. The Trustees are committed to the Nolan principles of selflessness, integrity, objectivity, accountability, honesty and leadership. The Trustees entrust day to day management to the Chief Executive, who then delegates that appropriately to project managers, as new projects and services are added to the charity's portfolio.

We are committed to the development of the Board and to ensure its calibre and the commitment of board members to the mission and purpose of the charity. A recent challenge from the Chairman resulted in the resignation of several members who recognised that their engagement was insufficient for the charity's needs. We are actively seeking replacements and additional Trustees who have the calibre and commitment (as well as the time, contacts and resource) to take the charity forward over the next 3-5 years.

The Chief Executive is responsible, working with the staff team, for creating a two year operational plan, including marketing and fundraising plans as well as project and service planning) as the outworking of the Trustees strategic plan. That two-year operational plan will be submitted annually for endorsement by the Trustees as being in line with agreed organisational strategy, and will then be implemented by the CEO via the staff team. The CEO, Chair of Trustees and Treasurer meet at least monthly for communication purposes and to ensure good practice. The Board has good and appropriate experience and a track record of running high quality services.

## **Project and Service delivery**

We are passionately concerned for what has been called a lost generation of young people – and we are further concerned for the generations to follow if we do not address their pressing needs and concerns. Not enough is being done and we want to challenge that situation, but also to offer approaches and models of support that really do make a difference. Our strap-line is “support that changes young lives”.

Depression, substance and alcohol abuse, exploitation and bullying including cyber bullying, educational underachievement, low confidence, poor self –esteem and other relational factors run across our key need groups. We know that what is needed is practical and relational support and care (on an ongoing and person centred basis) rather than short in/out programmes that too often achieve very little. We have identified four main need groups to work with.

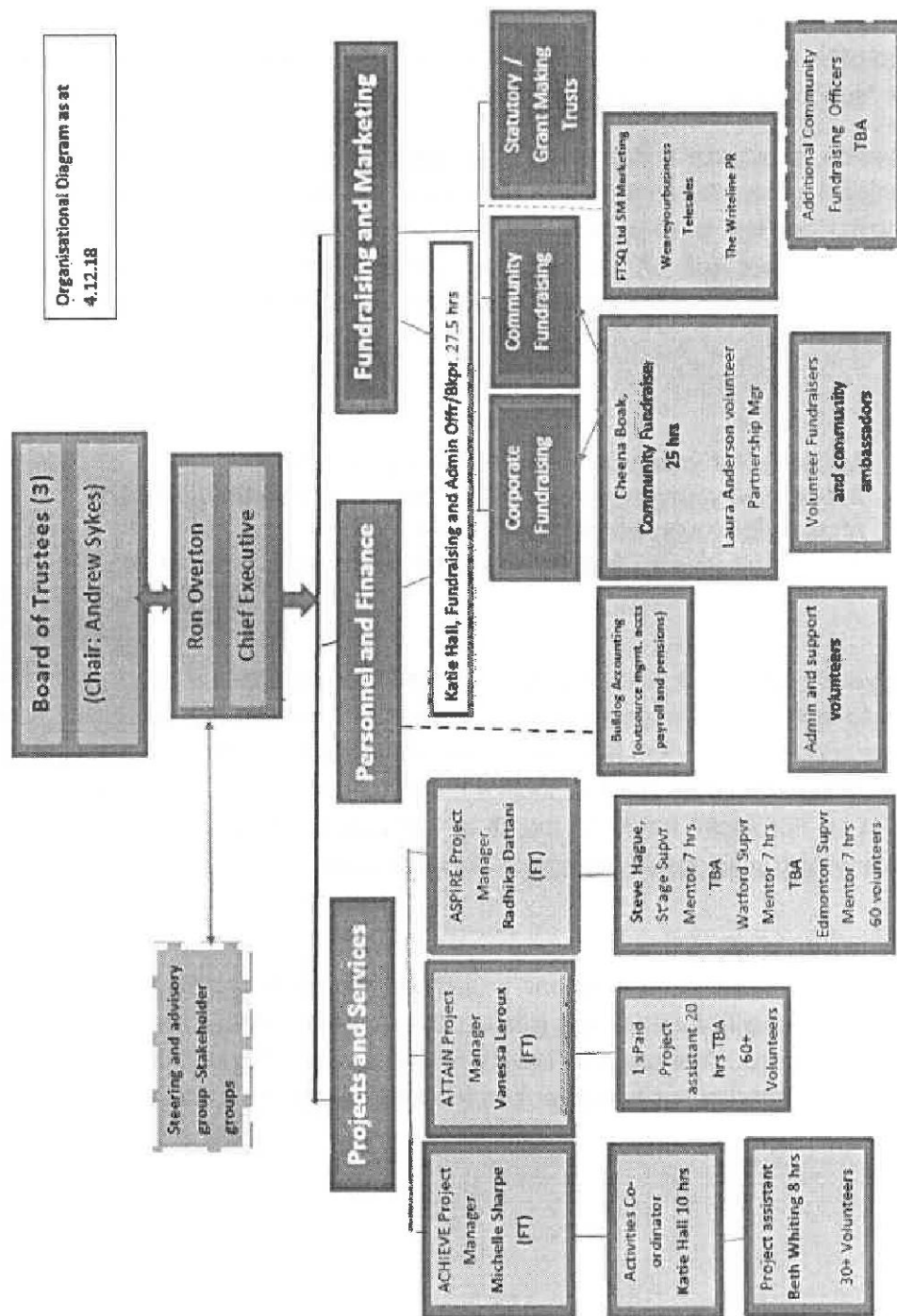
- Achieve – for young people with learning disabilities
- Aspire – for young people at risk of criminal exploitation/offending
- Attain – for young people leaving care
- Affirm – for young people with mental health and emotional needs

Some young people do of course have several of those areas of need (and others) and our aim is to work from the person to the programme and not the other way round. For the Achieve and Attain Projects that's especially about working with the young people for around 4-6 months before they leave school/care and for at least a year afterwards and up to two years in all. For Aspire it's an 18 month to two year programme commencing in years 9 and 10. See [www.transitionsuk/ourprojects](http://www.transitionsuk/ourprojects) for more details.

One year ago, we were running one project in one county and by dint of a huge amount of work and self-sacrifice we are now running three projects in three counties and just developing into North London. That progress is exciting and encouraging but requires considerable effort and growing partnerships to deliver it in a challenge funding landscape.

Transitions UK  
Trustee's Report and Financial Statements for the year ending 31 May 2018

Charity number: 1160105





## **The Achieve Project – running since November 2015;**

### **- for young people with learning disabilities**

This highly successful project receives referrals from mainstream schools and colleges across Luton and Dunstable and increasingly from Hitchin and Harpenden. The project supports young people with mild to moderate learning disabilities as they make the challenging transition from school and college into the wider community. For many young people with learning disabilities this time of transition is scary and difficult; much of their social and emotional support is tied up with school life and relationships and suddenly they have to leave.

We prevent such young people "falling off a cliff" as they leave school or care and support a positive transition to better lives and futures. We do that using innovative person centred approaches aimed at personal and skills development as well as relational outcomes and increased confidence and self-esteem. BBC Children in Need part-fund this project and have commended the quality and uniqueness of our approach.

The project supports 30-35 young people every year through a volunteer based mentoring and support programme to enable a better and more effective transition to adulthood and independence, including into employment and next steps education. Phase 1 is while they are still at school and over the following summer. That includes up to 8 hours of after school club provision at our partners Tokko youthspace. Phase 2 supports them having left school and to bridge that transition gap for the following year at least, including signposting and supporting into work, education and other agencies. The project deploys a similar number of peer and peer plus volunteers who also gain an enormous amount from the project. Parent/Carers, and siblings, also gain from valuable respite. Each young person receives 6-8 hours of support per week, which we provide for less than £8 per hour. Parents make a contribution of around 20% of costs.

We have excellent feedback from parents and young people about the value and support of the project. 61% of parents said they were very satisfied and 39% fairly satisfied, and 27% strongly agreed the project was value for money; 73% agreed it was. 84% definitely would recommend the project and 16% probably would.

Our FT Project Manager is supported by an Activities Co-ordinator (10 hrs per wk) and a sessional assistant (8 hours per week) and manages the volunteer team. The project includes after schools provision, community based provision and skills/pre-employment training – all supporting good outcomes and lifelong benefits. We deliver relational support models using circle and cluster models, and our person centred approaches provide an effective and tailored service. It's really heart-warming and exciting to see young people growing and developing and working together.

## **The Aspire Project – running since November 2017.**

### **- for young people at risk of criminal exploitation or offending**

The project launched with the help of a project development team including police, social services and local schools and agencies. On their advice, the project works with young people on an early intervention model in school years 9 and 10. The project supports around 25 young people across hubs in Stevenage, Watford and now Edmonton in North London. These are young people at risk of criminal exploitation or offending; they are vulnerable and often under the influence of local and even London gangs. Knife crime and drugs trafficking are all too often part of their social environment.

We use an adapted circle of support model to provide resilient and consistent mentoring and befriending and effective relational support, including alternative behaviours and relationships. One young man was "rescued" from being groomed by a Tottenham gang and is responding to our support in a way he has not responded to anything else. The project costs £2800 per young person per year: It costs £143,000 p.a. for one young person to be housed in a youth offending institution.

The service integrates with approaches and structures employed by police and education support centres and provide huge added value. We are developing links with probation services to utilise the screened input of ex-offenders, especially in group sessions.

## **The Attain Project – launches on 1<sup>st</sup> October 2018.**

### **- for young people leaving care**

This project will be supporting at least 25 young people leaving care in Milton Keynes and the surrounding area. It will later (subject to funding) roll out to Bedford and Northampton.

We will use our existing successful models of support and befriending and adapt them specifically to this need group.

Young people leaving care are multiply disadvantaged and struggle with low levels of educational attainment, poverty, and depression and high levels of substance abuse. Whilst 1% of the population of young people are in care, 63% of females and 31% of males in youth offending institutions have a background in care.

There is relatively little support nationally for young people leaving care and very many have little access to the help they need to make a positive transition into work and positive lifestyles.

We are excited to see this project go forward and look forward to developing the models of care and replicating this project into other areas. We will work with at least 25 young people and deploy around 50 volunteer mentors.

## **The Affirm Project – launches in North London in summer 2019 (subject to funding)**

### **- for young people with mental health and emotional needs**

Far too many of our young people struggle with mental illness, depression, self-harm and a range of other needs including loneliness and isolation and poor self-esteem. The UK sits at the wrong end of the European league table for the health and wellbeing of our young people against such indices. That is not acceptable.

We are determined to address this issue and work positively with young people to help them move forward to healthier and better lives and futures.

Again, using adapted models of support, we will work with 20-25 young people and deploy around 50 mentors and befrienders.

The aim is to replicate each of these projects over the next few years and turn projects into programmes supporting thousands of young people towards better lives. We are actively seeking partners, at all levels, to help us do this.

## **Fundraising achievements to date**

By the end of the financial year 2017/18 the charity had a fund balance of £10,697 and had achieved income of over £151,000 – a creditable increase on the £111,000 the year before and just £48,000 in 2015/16. Please see note on SOFA,

Almost all of that had to be raised from donations and fundraising activities and a small team have worked incredibly hard to do that.

We have good expertise in running innovative and effective provision for young people and an increasing reputation for doing so. We are consequently beginning to see increasing funding from Grant Making Trusts and more than achieved our target of £60,000 in 2017/18. We have recently been awarded significant three year funding from Lloyds Bank Foundation (£25k p.a. for Attain) as well as further three year (£30k) funding from BBC Children in Need for Achieve.

Funding for 2018/19 includes funding from new partners as well as existing ones (Childwick Trust, Awards for All, Geoff Herrington Foundation etc) and we await application results for bids for a further £50,000 at this point in time. We currently forecast income of over £220,000 for this next financial year, of which £90,000 is from grants and just under £100,000 is from corporate and community fundraising.

Our strategy is very much to develop corporate fundraising and partnerships – as much to support opportunities for young people as to raise funds. However, that relational development takes time and it's a challenge for what is still a small team. It's happening and increasingly so but not as fast as we would like. Our 100 campaign looks to secure 100

**Transitions UK**  
**Trustee's Report and Financial Statements for the year ending 31 May 2018**

**Charity number: 1160105**

supporting companies for each project/county, donating between £10 and £100 per month each. We have excellent supporters providing pro bono marketing support and are working with local volunteers wherever we can find them.

One challenge for us is that with a proportionately large reliance still on fundraising events, - which often have narrower margins after costs - that can drag down our fundraising ratios. Stripping out event costs themselves we are incredibly cost effective in our fundraising. Salary costs for fundraising in 2017/18 were well under 20 hours and we still produced remarkable returns. The plan going forward (now being implemented) is to add part-time community and corporate fundraisers to release the CEO to do more large corporate and grant development as well as seek commissioning from local authorities. Regular supporters, both corporate and individual are very much the direction of travel and mirror our emphasis on relationships overall.

Resources are very much the issue with the chicken and egg dilemma that we need the cash to employ fundraisers to raise the cash!!

## **Financial Review**

Income for the year ended 31<sup>st</sup> May 2018 achieved £151,459 against costs of £150,779 producing a small surplus and a fund reserve balance of £10,697.

At run rates at 31<sup>st</sup> May this was just over 4 week's costs and below the Boards Aspirations of 3-6 months reserve. Current funds at bank at end December 2018 will be at two months running costs. That aspiration is firmly within the budget for 2018/19 and our current forecast is for a reserve fund of around £50,000 by year end.

We continue to make slow but steady progress towards that reserve base while substantially increasing provision and service levels. It is challenging to balance our desire to be social entrepreneurs and change-makers with the financial implications of expansion; getting the pace of development right is essential.

In that context our original budget for 2018/19 has been trimmed back for caution and we are currently forecasting income of £225,000 against costs of £188,000. We hope we can exceed that.

We are now working in three counties, almost four, and that is definitely helping us leverage new funding streams. We have good financial skills on the Board (our Treasurer is a qualified and practicing accountant) and are well supported by a part time management accountant one day per month and in house book-keeper at 6 hours per week. Again, we do a great deal with relatively little.

The annual report was approved by the trustees of the charity on 20-01-19 and signed on its behalf by:

**SIGNED**



M E A E Sykes, Chairman



Mr Z Razaq, Treasurer

**Charity number: 1160105**

## **INDEPENDENT EXAMINERS REPORT TO THE TRUSTEES FOR THE YEAR ENDED 31 MAY 2018**

I report to the trustees on my examination of the accounts of the charity for the year ended 31 May 2018 which are set out pages 14 to 23.

### **Respective responsibilities of trustees and examiner**

The trustees are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

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

### **Basis of independent examiner's report**

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

### **Independent examiner's statement**

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

- 1) which gives me reasonable cause to believe that in any material respect the requirements:

to keep accounting records in accordance with section 130 of the Charities Act 2011; and

to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act

- 2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Richard Sadler (ICAEW)  
Accounting by Numbers  
Maylands Business Centre  
Redbourn Road  
Hemel Hempstead  
Hertfordshire HP2 4NX

Date: 24/01/19

**Transitions UK**  
**Trustee's Report and Financial Statements for the year ending 31 May 2018**

**Charity number: 1160105**

**Statement of Financial Activities**

**For the year ended 31 May 2018**

|                                    | Notes | Unrestricted Funds<br>£ | Restricted Funds<br>£ | 2018<br>£        | 2017<br>£        |
|------------------------------------|-------|-------------------------|-----------------------|------------------|------------------|
| <b>Income and endowments</b>       |       |                         |                       |                  |                  |
| Donations                          | 2     | 87,916                  | 29,000                | 116,916          | 64,910           |
| Charitable Activities              | 3     | 7,733                   | -                     | 7,733            | 10,933           |
| Other Trading Activities           | 4     | 26,810                  | -                     | 26,810           | 35,341           |
| <b>Total</b>                       |       | <b>122,459</b>          | <b>29,000</b>         | <b>151,459</b>   | <b>111,184</b>   |
| <b>Expenditure on:</b>             |       |                         |                       |                  |                  |
| Raising Funds                      | 5     | (54,381)                | -                     | (54,381)         | (40,141)         |
| Charitable Activities              | 6     | (80,733)                | (15,665)              | (96,398)         | (67,300)         |
| <b>Total</b>                       |       | <b>(135,114)</b>        | <b>(15,665)</b>       | <b>(150,779)</b> | <b>(107,441)</b> |
| <b>Net income / expenditure</b>    |       | <b>(12,655)</b>         | <b>13,335</b>         | <b>680</b>       | <b>3,743</b>     |
| <b>Reconciliation of funds</b>     |       |                         |                       |                  |                  |
| Total funds brought forward        |       | 10,017                  | -                     | 10,017           | 6,274            |
| <b>Total funds carried forward</b> |       | <b>(2,638)</b>          | <b>13,335</b>         | <b>10,697</b>    | <b>10,017</b>    |

**Transitions UK**  
**Trustee's Report and Financial Statements for the year ending 31 May 2018**

Charity number: 1160105

**Statement of Financial Position**

**As at 31 May 2018**

|  | Notes | 2018<br>£     | 2017<br>£     |
|--|-------|---------------|---------------|
| <b>Fixed assets</b>  |       |               |               |
| Tangible Fixed Assets  | 12    | 975           | 402           |
| <b>Current assets</b>  |       |               |               |
| Debtors  | 13    | 18,715        | 15,207        |
| Cash at bank and in hand                                       |       | 12,308        | 12,024        |
|  |       | <u>31,023</u> | <u>27,231</u> |
| <b>Creditors: amounts falling due within one year</b>          | 14    | (20,301)      | (17,616)      |
| <b>Net current assets</b>                                      |       | <u>10,722</u> | <u>9,615</u>  |
| <b>Total assets less current liabilities</b>                   |       | <u>11,697</u> | <u>10,017</u> |
| <b>Creditors: amounts falling due after more than one year</b> | 15    | (1,000)       | -             |
| <b>Net assets</b>  |       | <u>10,697</u> | <u>10,017</u> |
| <b>The funds of the charity</b>                                |       |               |               |
| Restricted income funds  | 16    | 13,335        | -             |
| Unrestricted income funds                                      | 16    | (2,638)       | 10,017        |
| <b>Total funds</b>   |       | <u>10,697</u> | <u>10,017</u> |

The financial statements were approved and authorised for issue by the Board and signed on its behalf by:



**Mr A E Sykes**

Chairman



**Mr Z Razaq**

Treasurer



**Transitions UK**  
**Trustee's Report and Financial Statements for the year ending 31 May 2018**

**Charity number: 1160105**

**Notes to the financial statements**

**1. Accounting Policies**

**Basis of accounting**

The financial statements have been prepared under the historical cost convention, except for investments which are included at market value and the revaluation of certain fixed assets and in accordance with the Charities SORP (FRS 102) '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)'; Financial Reporting Standard 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), and the Charities Act 2011.

Transitions UK meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

**Going Concern**

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

**Income and endowments**

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

**Donations and legacies**

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

**Grants receivable**

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

**Expenditure**

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, and it is probable settlement is required, and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

***Raising funds***

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

***Charitable Activities***

Charitable expenditure comprises those costs incurred by the charity in the deliver of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

**Transitions UK**  
**Trustee's Report and Financial Statements for the year ending 31 May 2018**

**Charity number: 1160105**

**Notes to the financial statements**

**1. Accounting Policies (Continued)**

**Governance Costs**

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustee's meetings and reimbursed expenses.

**Taxation**

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**Tangible fixed assets**

Individual fixed assets cost £100 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

**Depreciation and amortisation**

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

|                  |                         |
|------------------|-------------------------|
| Office Equipment | 25% straight line basis |
|------------------|-------------------------|

**Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

**Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

**Funds**

Unrestricted income funds are general funds that are available for use at the Trustee's discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

**Transitions UK**  
**Trustee's Report and Financial Statements for the year ending 31 May 2018**

**Charity number: 1160105**

**Notes to the financial statements**

**2. Income from donations**

|                                      | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>2018<br>£ | Total<br>2017<br>£ |
|--------------------------------------|----------------------------|--------------------------|--------------------|--------------------|
| Donations and legacies               |                            |                          |                    |                    |
| Donations from individuals           | 25,675                     | -                        | 25,675             | 24,095             |
| Gift aid reclaimed                   | 4,844                      | -                        | 4,844              | 7,800              |
|                                      | 17,397                     | -                        | 17,397             | 12,015             |
| Regular giving and capital donations |                            |                          |                    |                    |
|                                      | 40,000                     | 29,000                   | 69,000             | 21,000             |
| Grants and trusts                    |                            |                          |                    |                    |
|                                      | <b>87,916</b>              | <b>29,000</b>            | <b>116,916</b>     | <b>64,910</b>      |

**3. Income earned from charitable activities**

|                            | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>2018<br>£ | Total<br>2017<br>£ |
|----------------------------|----------------------------|--------------------------|--------------------|--------------------|
| Achieve project fee income | 7,733                      | -                        | 7,733              | 10,933             |
|                            | <b>7,733</b>               | <b>-</b>                 | <b>7,733</b>       | <b>10,933</b>      |

**4. Income from other trading activities**

|   | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>2018<br>£ | Total<br>2017<br>£ |
|---|----------------------------|--------------------------|--------------------|--------------------|
| Events income: internal events                | 7,215                      | -                        | 7,215              | 9,504              |
| Events income: external events and challenges | 4,468                      | -                        | 4,468              | 25,837             |
| Trading and merchandising                     | 137                        | -                        | 137                | -                  |
| Collaborate networking fees                   | 14,990                     | -                        | 14,990             | -                  |
|   | <b>26,810</b>              | <b>-</b>                 | <b>26,810</b>      | <b>35,341</b>      |

**5. Expenditure on raising funds**

|                                    | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>2018<br>£ | Total<br>2017<br>£ |
|------------------------------------|----------------------------|--------------------------|--------------------|--------------------|
| Cost of generating donations       |                            |                          |                    |                    |
| Direct Fundraising costs           | 21,151                     | -                        | 21,151             | 26,028             |
| Staff wages and salaries           | 25,070                     | -                        | 25,070             | 1,570              |
| Other staff costs including travel | 673                        | -                        | 673                | 619                |
| Consultancy fees                   | 4,477                      | -                        | 4,477              | 7,827              |
| Volunteer recruitment and expenses | 150                        | -                        | 150                | 450                |
| Advertising and marketing          | 2,135                      | -                        | 2,135              | 2,458              |
| Donation handling and bank charges | 725                        | -                        | 725                | 990                |
| Other fundraising costs            | -                          | -                        | -                  | 199                |
|                                    | <b>54,381</b>              | <b>-</b>                 | <b>54,381</b>      | <b>40,141</b>      |

**Transitions UK**  
**Trustee's Report and Financial Statements for the year ending 31 May 2018**

**Charity number: 1160105**

**Notes to the financial statements**

**6. Expenditure on charitable activities**

|   | Unrestricted<br>Funds | Restricted<br>Funds  | Total<br>2018        | Total<br>2017        |
|---|-----------------------|----------------------|----------------------|----------------------|
|   | £                     | £                    | £                    | £                    |
| <b>Achieve Project</b>                            |                       |                      |                      |                      |
| Activity and direct costs                         | 16,346                | 4,000                | 20,346               | 7,727                |
| Staff wages and salaries                          | 30,229                | -                    | 30,229               | 50,465               |
| Other project costs                               | 2,994                 | -                    | 2,994                | 6,088                |
| Governance and support costs (note 7)             | 3,946                 | -                    | 3,946                | 3,020                |
|   | <u>53,515</u>         | <u>4,000</u>         | <u>57,515</u>        | <u>67,300</u>        |
| <b>Aspire Project</b>                             |                       |                      |                      |                      |
| Activity and direct costs                         | 2,051                 | -                    | 2,051                | -                    |
| Staff wages and salaries                          | 24,504                | -                    | 24,504               | -                    |
| Other project costs                               | 294                   | -                    | 294                  | -                    |
| Governance and support costs (note 7)             | 369                   | -                    | 369                  | -                    |
|   | <u>27,218</u>         | <u>-</u>             | <u>27,218</u>        | <u>-</u>             |
| <b>Attain Project</b>                             |                       |                      |                      |                      |
| Activity and direct costs                         | -                     | 1,237                | 1,237                | -                    |
| Staff wages and salaries                          | -                     | 10,045               | 10,045               | -                    |
| Other project costs                               | -                     | 383                  | 383                  | -                    |
|   | <u>-</u>              | <u>11,665</u>        | <u>11,665</u>        | <u>-</u>             |
| <b>Total expenditure on charitable activities</b> | <u><b>80,733</b></u>  | <u><b>15,665</b></u> | <u><b>96,398</b></u> | <u><b>67,300</b></u> |

**7. Analysis of governance and support costs**

|                                   | Unrestricted<br>Funds | Restricted<br>Funds | Total<br>2018 | Total<br>2017 |
|-----------------------------------|-----------------------|---------------------|---------------|---------------|
|                                   | £                     | £                   | £             | £             |
| <b>Governance costs</b>           |                       |                     |               |               |
| Accountancy and book-keeping fees | 1,075                 | -                   | 1,075         | 1,514         |
| Legal fees                        | 3,167                 | -                   | 3,167         | -             |
| Computer expenses                 | -                     | -                   | -             | 448           |
| Telephone                         | -                     | -                   | -             | 133           |
| Printing, postage and stationery  | -                     | -                   | -             | 861           |
| Bank charges                      | 12                    | -                   | 12            | 7             |
| Other governance costs            | 61                    | -                   | 61            | 57            |
|                                   | <u>4,315</u>          | <u>-</u>            | <u>4,315</u>  | <u>3,020</u>  |

**8. Trustees remuneration and expenses**

There was no trustees' remuneration or other benefits for the year ended 31 May 2018 nor for the year ended 31 May 2017.

There were no trustees' expenses for the year ended 31 May 2018 nor for the year ended 31 May 2017.

**Transitions UK**  
**Trustee's Report and Financial Statements for the year ending 31 May 2018**

**Charity number: 1160105**

**Notes to the financial statements**

**9. Staff Costs**

Total staff costs for the year ended 31 May 2018 were:

|                       | <b>2018</b>          | <b>2017</b>          |
|-----------------------|----------------------|----------------------|
|                       | <b>£</b>             | <b>£</b>             |
| Salaries and wages    | 80,682               | 63,977               |
| Social security costs | 4,559                | -                    |
| Pension costs         | 4,607                | -                    |
|                       | <b><u>89,848</u></b> | <b><u>63,977</u></b> |

The average monthly number of employees during the year was as follows:

|                       | <b>2018</b>     | <b>2017</b>     |
|-----------------------|-----------------|-----------------|
| Fundraising           | 2               | 1               |
| Charitable activities | 2               | 1               |
| Governance            | 1               | 1               |
|                       | <b><u>5</u></b> | <b><u>3</u></b> |

No employees received emoluments in excess of £60,000 (2017: Nil).

**10. Net income / (expenditure) for the year**

This is stated after charging:

|  | <b>2018</b> | <b>2017</b> |
|--|-------------|-------------|
|  | <b>£</b>    | <b>£</b>    |
| Depreciation of owned fixed assets           | 327         | 58          |
| Accountancy and independent examination fees | 1,438       | 1,514       |
| Staff pension contribution                   | 4,607       | -           |

**Transitions UK**  
**Trustee's Report and Financial Statements for the year ending 31 May 2018**

**Charity number: 1160105**

**Notes to the financial statements**

**11. Comparative for the statement of financial activities**

|                                    | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | 2017<br>£        |
|------------------------------------|----------------------------|--------------------------|------------------|
| <b>Income and endowments</b>       |                            |                          |                  |
| Donations                          | 43,910                     | 21,000                   | 64,910           |
| Charitable Activities              | 10,933                     | -                        | 10,933           |
| Other Trading Activities           | 35,341                     | -                        | 35,341           |
| <b>Total</b>                       | <b>90,184</b>              | <b>21,000</b>            | <b>111,184</b>   |
| <b>Expenditure on:</b>             |                            |                          |                  |
| Raising Funds                      | (40,141)                   | -                        | (40,141)         |
| Charitable Activities              | (43,364)                   | (23,936)                 | (67,300)         |
| <b>Total</b>                       | <b>(83,505)</b>            | <b>(23,936)</b>          | <b>(107,441)</b> |
| <b>Net income / expenditure</b>    | <b>6,679</b>               | <b>(2,936)</b>           | <b>3,743</b>     |
| <b>Reconciliation of funds</b>     |                            |                          |                  |
| Total funds brought forward        | 3,338                      | 2,936                    | 6,274            |
| <b>Total funds carried forward</b> | <b>10,017</b>              | <b>-</b>                 | <b>10,017</b>    |

**12. Tangible fixed assets**

|                          | Computer<br>Equipment<br>£ |
|--------------------------|----------------------------|
| <b>Cost or valuation</b> |                            |
| At 1 June 2017           | 460                        |
| Additions                | 900                        |
| At 31 May 2018           | <u>1,360</u>               |
| <b>Depreciation</b>      |                            |
| At 1 June 2017           | 58                         |
| Charge for year          | 327                        |
| At 31 May 2018           | <u>385</u>                 |
| <b>Net book values</b>   |                            |
| At 31 May 2018           | <u>975</u>                 |
| At 31 May 2017           | <u>402</u>                 |

**13. Debtors**

|                                | 2018<br>£            | 2017<br>£            |
|--------------------------------|----------------------|----------------------|
| Trade debtors                  | 2,125                | 1,234                |
| Prepayments and accrued income | 16,230               | 13,613               |
| Other debtors                  | 360                  | 360                  |
|                                | <b><u>18,715</u></b> | <b><u>15,207</u></b> |

**Transitions UK**  
**Trustee's Report and Financial Statements for the year ending 31 May 2018**

**Charity number: 1160105**

**Notes to the financial statements**

**14. Creditors: Amounts falling due within one year**

|                              | <b>2018</b>          | <b>2017</b>          |
|------------------------------|----------------------|----------------------|
|                              | <b>£</b>             | <b>£</b>             |
| Trade creditors              | 1,979                | 7,134                |
| Other creditors              | 13,883               | 6,194                |
| Accruals and deferred income | 4,440                | 4,288                |
|                              | <u><b>20,302</b></u> | <u><b>17,616</b></u> |

The Charity is currently defending an employment tribunal case. The charity's insurers advise that the claimant has a less than 50% chance of success and hence no provision has been made.

**15. Creditors: Amounts falling due after more than one year**

|                   | <b>2018</b>         | <b>2017</b>     |
|-------------------|---------------------|-----------------|
|                   | <b>£</b>            | <b>£</b>        |
| Loan from Trustee | 1,000               | -               |
|                   | <u><b>1,000</b></u> | <u><b>-</b></u> |

**16. Analysis of charity funds**

|                           | <b>Balance at<br/>1 June<br/>2017</b> | <b>Incoming<br/>resources</b> | <b>Resources<br/>expended</b> | <b>Balance<br/>at 31<br/>May<br/>2018</b> |
|---------------------------|---------------------------------------|-------------------------------|-------------------------------|---|
|                           | <b>£</b>                              | <b>£</b>                      | <b>£</b>                      | <b>£</b>                                  |
| <b>Unrestricted funds</b> |                                       |                               |                               |   |
| General                   | 10,017                                | 122,459                       | (135,114)                     | (2,638)                                   |
|                           | <u><b>10,017</b></u>                  | <u><b>122,459</b></u>         | <u><b>(135,114)</b></u>       | <u><b>(2,638)</b></u>                     |
| <b>Restricted Funds</b>   |                                       |                               |                               |   |
| Attain grant funding      | -                                     | 25,000                        | (11,665)                      | 13,335                                    |
| Achieve grant funding     | -                                     | 4,000                         | (4,000)                       | -   |
|                           | <u><b>-</b></u>                       | <u><b>29,000</b></u>          | <u><b>(15,665)</b></u>        | <u><b>13,335</b></u>                      |
| <b>Total funds</b>        | <u><b>10,017</b></u>                  | <u><b>151,459</b></u>         | <u><b>(150,779)</b></u>       | <u><b>10,697</b></u>                      |

|   | <b>Balance at<br/>1 June<br/>2016</b> | <b>Incoming<br/>resources</b> | <b>Resources<br/>expended</b> | <b>Balance<br/>at 31<br/>May<br/>2017</b> |
|---|---------------------------------------|-------------------------------|-------------------------------|---|
|   | <b>£</b>                              | <b>£</b>                      | <b>£</b>                      | <b>£</b>                                  |
| <b>Unrestricted funds – Previous year</b> |                                       |                               |                               |   |
| General                                   | 3,338                                 | 90,184                        | (83,505)                      | 10,017                                    |
|   | <u><b>3,338</b></u>                   | <u><b>90,184</b></u>          | <u><b>(83,505)</b></u>        | <u><b>10,017</b></u>                      |
| <b>Restricted Funds</b>                   |                                       |                               |                               |   |
| Restricted                                | 2,936                                 | 21,000                        | (23,936)                      | -   |
|   | <u><b>2,936</b></u>                   | <u><b>21,000</b></u>          | <u><b>(23,936)</b></u>        | <u><b>-</b></u>                           |
| <b>Total Funds</b>                        | <u><b>6,274</b></u>                   | <u><b>111,184</b></u>         | <u><b>(107,441)</b></u>       | <u><b>10,017</b></u>                      |

**Transitions UK**  
**Trustee's Report and Financial Statements for the year ending 31 May 2018**

**Charity number: 1160105**

**Notes to the financial statements**

**17. Analysis of net assets between funds**

|                           | <b>Tangible fixed<br/>assets</b> | <b>Net current<br/>assets /<br/>liabilities</b> | <b>Creditors &gt; 1<br/>year</b> | <b>Net Assets</b> |
|---------------------------|----------------------------------|---|----------------------------------|-------------------|
|                           | <b>£</b>                         | <b>£</b>  | <b>£</b>                         | <b>£</b>          |
| <b>Unrestricted funds</b> |                                  |   |                                  |                   |
| General                   | 975                              | (2,613)   | (1,000)                          | (2,638)           |
| <b>Restricted funds</b>   |                                  |   |                                  |                   |
| Restricted                | -                                | 13,335  | -                                | 13,335            |
|                           | <b>975</b>                       | <b>10,722</b>                                   | <b>(1,000)</b>                   | <b>10,697</b>     |
| <b>Previous year</b>      |                                  |   |                                  |                   |
| <b>Unrestricted funds</b> |                                  |   |                                  |                   |
| General                   | 402                              | 9,615   | -                                | 10,017            |
| <b>Restricted Funds</b>   |                                  |   |                                  |                   |
| Restricted                | -                                | -   | -                                | -                 |
|                           | <b>402</b>                       | <b>9,615</b>                                    | <b>-</b>                         | <b>10,017</b>     |

**Funders and Partners**

We are immensely grateful for the support of our funders and partners – without whom we could not achieve what we do and support the young people we support.

Current Funders include: (the list is not exhaustive, and some prefer not to be named)

BBC Children in Need  
 Lloyds Bank Foundation  
 National Lottery Awards for All  
 Foyle Foundation  
 Garfield Weston Foundation  
 Hertfordshire Community Foundation  
 Childwick Charitable Trust  
 Geoff Herrington Foundation  
 Arbonne Foundation  
 Moto in the Community  
 Souter Trust  
 Jules Thorn Charitable Trust

Thank you!!