

REGISTERED NUMBER: 07054164
CHARITY NUMBER: 1134544

REACH CHARITY LIMITED

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2019
DRAFT

Houndiscombe Consultants Limited trading as
Condy Mathias Chartered Accountants
6 Houndiscombe Road
Plymouth
PL4 6HH

REACH CHARITY LIMITED
(A COMPANY LIMITED BY GUARANTEE)

CONTENTS

| | |
|---------------|---|
| Pages 1 - 6 | Trustees' report |
| Page 7 | Independent Examiner's Report to the Trustees |
| Page 8 | Statement of Financial Activities |
| Page 9 | Balance Sheet |
| Pages 10 - 19 | Notes to the Financial Statements |

**REACH CHARITY LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 28 FEBRUARY 2019**

The Trustees (who are also directors of the charity for the purposes of the Companies Act) are pleased to present their annual report together with the financial statements of the charity for the year ending 28 February 2019.

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

Reference and administrative details

Charity registered number

1134544

Company registered number

07054164

Registered office and principal office

Pearl Assurance House, Tavistock Enterprise House, Brook Street, Tavistock, Devon, PL19 0BN

Independent Examiners

Houndiscombe Consultants Limited trading as Condy Mathias Chartered Accountants, 6 Houndiscombe Road, Plymouth, PL4 6HH

Bankers

CAF Bank, 25 Kings Hill Avenue, Kings Hill, West Malling, Kent, ME19 4JQ

Directors and Trustees

The directors of the charitable company (the company) are its Trustees for the purpose of charity law. The Trustees and officers serving during the year and since the year end were as follows:

Trustees and Directors

| | |
|----------------------|-----------------------------|
| Lee Gwilliam | Chairman |
| Gary Phillips | Vice Chairman |
| Julie Detheridge | |
| Sian Brooks | |
| Philip Robertson | Treasurer |
| Kevin Moyes | |
| Elizabeth Wilmshurst | |
| Ruth Lester | |
| Christopher Fuoco | |
| Edward Pearce | |
| Clare Salters | (appointed 3 December 2018) |

Key Management Personnel

| | |
|---------------------------------------|--|
| Jo Dixon – National Co-ordinator | (resigned 30 September 2018) |
| Kevin Griffin – National Co-ordinator | (appointed 25 October 2018, resigned 10 December 2018) |
| Deborah Bond – National Co-ordinator | (appointed 17 June 2019) |

**REACH CHARITY LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2019**

The Public Benefit

In shaping our objectives for the year, the Trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'Public Benefit: running a charity' (PB2).

Structure Governance and Management

Reach is a company limited by guarantee and is registered as a charity with the Charity Commission. It is governed by its Memorandum and Articles of Association dated 22 October 2016 following an amendment approved at the Annual General Meeting.

The Board of Trustees administers the Charity and is responsible for determining overall strategic direction of the charity and for developing policies to support the delivery of charitable objects. The board monitors progress across all areas of the activity including legal requirements and financial performance. Meetings take place quarterly and the finance committee, a subgroup of the Board of Trustees meets 4 times a year to consider finances. The term of office for trustees appointed is 3 years; retiring trustees are eligible for re-election.

A national co-ordinator (NC) is in post, appointed by the trustees to manage day to day operations of the Charity. To facilitate effective operations the authority for operational matters (including finance, employment and performance related to agreed key objectives) is delegated to the NC. Any decisions outside of the strategic direction agreed by the board or outside the agreed budget are referred to trustees for approval.

Reach Volunteers support the Charity's work in many ways. Most volunteers are directly linked to a member, either themselves or a member of their close family/friends and the charity greatly benefits from their enthusiasm and experience. The trustees are especially grateful for the unstinting efforts of the volunteers who are involved in running the local branches and fundraising.

Risk Management

The Trustees have worked on the development of the Risk Management strategy which comprises;

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

The Trustees will focus attention on non-financial risks arising from the children's activities we offer and have a separate risk management system for these events. They will also strengthen the business continuity plan, in case of a major incident affecting the charity's day to day operations. A key element of the management of financial risk is the setting of a reserves policy and its regular review by trustees which is in place.

Investment Policy

Reach does not currently hold any free reserves in investments. Funds which are surplus to that required for day to day expenditure and cash flow needs, are held in a high interest account which benefits from protection up to the sum of but not more than £85,000 per annum in line with the FSCS savings protection scheme.

Reach Charity Limited

The overall aim of the Charity is to be a leading children's charity providing support and information to those affected by upper limb difference.

**REACH CHARITY LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2019**

Our Vision and Values

Reach is.....positive Even in the darkest moments, we want Reach to be a ray of hope in our members' lives. We see the potential in all Reach children and celebrate their ability, never focussing on disability.

Reach is.....supportive We recognise that different families want different levels of support, and we tailor our approach to suit them. We're there to provide resources, support and practical advice; whatever our families tell us they need.

Reach is....inspiring Our members are amazing and we shout about their achievements whenever we can. We share success stories and hero those 'wow' moments, big and small, to show families just how much our incredible children are capable of.

Reach is....community Connecting families is a vital part of Reach's work and the bonds this creates is priceless. Whether it's at our family weekend, branch meetings or on a Facebook forum, we help members to build relationships that last a lifetime.

Achievement and Performance

Reach has a wealth of information, help and ideas, either at our fingertips or through the parent support network that our members are part of or health professionals/partners that we work closely with. When a family is ready, they contact us so that we can put them in touch with other parents in a similar situation, or more local to them, or ask for advice from health professionals and partner organisations.

Everything we do at Reach is for the benefit of children with upper limb differences and their families, we pride ourselves on the care and compassion that underpins our culture.

Reach used the funds from Global Make Some Noise towards, branch family weekends, mentor training and RAW.

RAW

We continued to run a series of activities which are proving to be successful, including the 19th Reach Activity Week attended by 35 children.

Mentor training weekend.

A Reach Mentor training weekend run by Gary Phillips and Phil Roberston trained 10 Mentors - older Reach children.

Annual Family weekend

This year was our 40th anniversary celebrations. The family weekend didn't disappoint with a huge celebration of Reach. At the heart of the Annual Family Weekend is the bringing together of families and REACH children. A combination of excellent entertainment and childcare for the young and activities for older children, a really varied and interesting exhibition covering all kinds of research and showcasing a wide range of the latest prostheses, and a superb line-up of speakers with spot-on relevance to Reach families made the day extra special. Add to that the glitz of a birthday gala dinner brilliantly organised by Trustee Sian Brooks. Alex Brooker was the principle speaker, who spoke about his experiences and brought a great element of fun to the evening. 197 people attended the conference, 221 people attending the Gala dinner, 108 children attended the weekend.

Tyncae May 2018

Run by the Davies family (Rob, Dawn and their sons) for 20 years at their small holding in West Wales Packed with Family Activities.

**REACH CHARITY LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2019**

Local Branch activities

Events co-ordinated by local Branch Coordinators have once again been amazing, planning them around the age groups of their members. The feedback is always great as these days enable Reach children to meet but also for parents to get together and network. It is great when the Branch Coordinators send us a little write up and images so that we can share them on FB and put on the website.

Branch family weekends

There were also successful weekends run in Scotland at Ardonraig (9 adults, 18 children) and Patterdale Hall in Lancashire (60 people, 28 adults, 32 children) and Kent Swattenden Centre (16 Adults, 19 children).

Facebook

The Head Office closed Facebook group continues to go from strength to strength and is a place where members can talk in confidence and ask for advice. Up to 28th February 2019 the group had 630 members. Several Branches have also set up their own closed Facebook groups.

Bursaries

6 Bursaries were awarded, x3 car adaptations, x3 Para swimming equipment and travel/accommodation to events and competition costs. Total paid out £7,549.

WithReach

WithReach continues to go from strength to strength and is our window on the world allowing us to shout about the amazing fundraising activities that our Reach members do to support the charity, tell stories of Reach branch activities, feature topics that will be of interest to Reach families and celebrate who we are.

Sue Stokes Award

This award is presented to a child member in recognition of their special achievement. The winner is selected by the trustees from nominations made by members, friends and family. In 2018 the award was won by Harry Arnold Pepper.

Fundraising

We are truly overwhelmed with gratitude for all the fundraising that happens over the years to support Reach charity. Reach members, friends and family throw themselves into some fantastic activities from bake sales, walking to quizzes, donation in lieu of Christmas cards and whole schools getting involved.

Marathon

We have 5 allocated places at the London Marathon. Our London Marathon runners train for months to complete the gruelling challenge on top of which we give them a fundraising target in return for their place. Matthew Codd, Keith Suttle, Daniel Quinn, Michelle Evans, Andy Dixon. We were given an extra few places at the marathon this year, so this enabled the following runners to run for Reach: Nikki Goouch, Alex Reed, Bailey Wood and Craig Banks. 2018 also saw a group of Reach members from Ireland run the Belfast marathon.

Treasurer's Report

This financial period has been an important one for Reach. We have conducted a comprehensive search for our new National coordinator and continued to introduce new services for members such as the increasing number of regional family weekends.

**REACH CHARITY LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2019**

In recent years we have seen fluctuations in turnover due to various one-off significant donations and grants. This, alongside longstanding existing cash reserves, has enabled us to invest back into the charity. Away from one-off cash injections, revenue remains stable. In particular, I am pleased to see an increasing trend in memberships, donations and fundraising activity. A sign of the fantastic support we receive from across the community, and without which, we would be unable to continue to support our members.

2018/19 was focused on developing the awareness of the charity and furthering the services that they offer to their members.

Our biggest cost continues to be the Annual Family weekend. Whilst there has been an effort from the board to manage costs in general, 2018 Family weekend costs were higher than usual due to one-off 40th-anniversary celebrations, however, having run the event in its current format for a significant period, there is a growing acceptance that the cost of the event is disproportionately high and will be reviewed in the coming period.

Finally, administrative costs for the period were higher than usual. The biggest factors were recruitment and salary increase. Recruitment costs were a one-off to identify our new national coordinator and there is a general increase in staffing at head office to support increased activity. Salaries however also included the short-term contract of a volunteer development officer which was ringfenced as part of a project funded by the Global Make Some Noise grant. The long-term continuation of this project has now been absorbed into the national coordinator role.

Overall, Reach received total income for the year of £234,190, however has reported a deficit of £39,698 for the 2018-19 period. This was a planned loss as we continue to reinvest donations and grants and reduce our cash reserves in preparation for future funding and grant applications. In the coming financial period, the board will review our biggest cost, the family weekend, and continue to manage overall costs. We will also be looking for new opportunities to increase revenue as we continue to raise Reach's profile and improve our services for members across the entirety of our community.

Key reasons which have led to this deficit are:

- Staffing, a changing of National Coordinators bought recruitment and professional development costs, the new National Coordinator leaving caused further recruitment costs to be incurred
- We have seen an increase in spend to support bursary awards
- Increase in Insurance costs to ensure it is robust
- The Annual Family weekend in its current format continues to be a massive drain on Reach Funds. Reach contribution for 2018 was £45,795.
- An increase in Volunteers meant an increase in DBS costs and an increase in volunteer expenses
- Development of Branch family weekends.

Reserves and Designated Funds

The balance sheet unrestricted reserves are shown as £145,720.

The Trustees have reviewed the Charity's need for reserves in line with guidelines issued by the Charities Commission and developed a reserves Policy setting out the Trustees plans for required reserves.

We aim to maintain reserves in the range of three to six months operating costs. The Trustees remain comfortable that reserves held meet the policy, and that the Charity maintains sufficient funds to maintain activities and continue to run efficiently.

**REACH CHARITY LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2019**

A sum of £13,200 is held as restricted funds. These funds (originally £15,000) were donated to Reach to fund specific research. The funder has expressed the wish that this fund be maintained for research into the causes of congenital limb differences. The fund is insufficient to commission a research project and despite efforts over a long period, we have been unable to identify any ongoing research project which meets the fund's aims.

Trustees' Responsibilities

The Trustees (who are also the directors of Reach Charity Limited for the purpose of company law) are responsible for preparing the Trustees' report and financial statements in accordance with applicable law and regulations.

Company and charity law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

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

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

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the Charities Act 2011. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In preparing this report, the Trustees have taken advantage of the small companies exemption provided by section 415A of the Companies Act 2006.

This report was approved by the trustees on2019 and signed on their behalf by:

.....
Lee Gwilliam – Chairman

.....
Phil Robertson – Treasurer/Trustee

**REACH CHARITY LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT EXAMINER'S REPORT ON THE ACCOUNTS
FOR THE YEAR ENDED 28 FEBRUARY 2019**

I report to the charity trustees on my examination of the accounts of the company for the year ended 28 February 2019, which are set out on pages 8 to 19.

This report is made solely to the Trustees, as a body, in accordance with section 145 of the Charities Act 2011 and regulations made under section 154 of that Act. My work has been undertaken so that I might state to the Trustees those matters I am required to state to them in an Independent Examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the company and the company's Trustees as a body, for my work or for this report.

Responsibilities and basis of report

The charity's trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

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

Independent examiner's statement

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

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

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

John Hillier FCA

Houndiscombe Consultants Limited trading as
Condy Mathias Chartered Accountants
6 Houndiscombe Road
Plymouth
PL4 6HH

Date:

REACH CHARITY LIMITED
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 28 FEBRUARY 2019

| | Note | Unrestricted Funds £ | Restricted Funds £ | Total 2019 £ | Total 2018 £ |
|--|-------------|-------------------------------------|-----------------------------------|-----------------------------|-----------------------------|
| Income: | | | | | |
| Donations and legacies | 2 | 134,837 | - | 134,837 | 116,052 |
| Income from charitable activities | 3 | 39,556 | - | 39,556 | 32,970 |
| Income from other trading activities | 4 | 59,722 | - | 59,722 | 57,049 |
| Investment Income | 5 | 75 | - | 75 | 75 |
| Total Income | | <u>234,190</u> | <u>-</u> | <u>234,190</u> | <u>206,146</u> |
| Expenditure: | | | | | |
| Raising funds | 6 | 5,241 | - | 5,241 | 7,198 |
| Charitable activities | 7 | 268,647 | - | 268,647 | 221,230 |
| Total Expenditure | | <u>273,888</u> | <u>-</u> | <u>273,888</u> | <u>228,428</u> |
| Net income/(expenditure) and net movement in funds for the year | | (39,698) | - | (39,698) | (22,282) |
| Reconciliation of funds | | | | | |
| Total funds brought forward | | 185,418 | 13,200 | 198,618 | 220,900 |
| Total funds carried forward | | <u>145,720</u> | <u>13,200</u> | <u>158,920</u> | <u>198,618</u> |

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derives from continuing activities.

The notes on pages 10 to 19 form part of these financial statements

REACH CHARITY LIMITED
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER 07054164

BALANCE SHEET
AS AT 28 FEBRUARY 2019

| | Note | £ | 2019 £ | £ | 2018 £ |
|--|------|-----------------|----------------|-----------------|----------------|
| Fixed Assets | | | | | |
| Intangible assets | 10 | | 4,548 | | 7,296 |
| Tangible assets | 11 | | <u>11,824</u> | | <u>18,689</u> |
| | | | 16,372 | | 25,985 |
| Current Assets | | | | | |
| Stock | | 3,399 | | 2,583 | |
| Debtors | 12 | 17,243 | | 8,533 | |
| Cash at bank and in hand | | <u>138,931</u> | | <u>179,604</u> | |
| | | 159,573 | | 190,720 | |
| Creditors amounts falling due within one year | 13 | <u>(17,025)</u> | | <u>(18,087)</u> | |
| Net current assets | | | <u>142,548</u> | | <u>172,633</u> |
| Net Assets | 15 | | <u>158,920</u> | | <u>198,618</u> |
| The funds of the charity | | | | | |
| Unrestricted income funds | 15 | | 145,720 | | 185,418 |
| Restricted income funds | 15 | | <u>13,200</u> | | <u>13,200</u> |
| | | | <u>158,920</u> | | <u>198,618</u> |

The Trustees consider that the company is entitled to exemption from the requirements to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Act.

The Trustees acknowledge their responsibility for complying with the requirements of the Companies Act 2006 with respect to accounting records and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 28 February 2019 and of its net resources expended for the year in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

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

The financial statements were approved by the Trustees on 2019 and signed on their behalf, by:

.....
Lee Gwilliam – Chairman

.....
Phil Robertson – Treasurer/Trustee

The notes on pages 10 to 19 form part of these financial statements

**REACH CHARITY LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2019**

1. Accounting policies

1.1 Basis of preparation of Financial Statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

Advantage has been taken of disclosure exemptions as set out in FRS102.1.12 from the requirement to produce a cashflow statement.

Reach Charity Limited meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

1.2 Company Status

The company, which was incorporated in the United Kingdom, is a company limited by guarantee and has no share capital. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

1.3 Fund Accounting

General funds are unrestricted 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.

Designated funds comprise of unrestricted funds that have been set aside by the Trustees for particular purposes.

Restricted funds are to be used in accordance with specific restrictions imposed by donors. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

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

REACH CHARITY LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2019

1.4 Income

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

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably, and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

For pledges, entitlement is the earlier of the pledge being probable and measurable or the pledge being received.

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

Income from trading activities is the amount derived from ordinary activities and is stated after trade discounts.

1.5 Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Cost of raising funds comprise of costs associated with fundraising events which the charity organises in order to raise funds for furtherance of its objects.
- Expenditure on charitable activities comprise of costs associated with educational activities undertaken to further the purpose of the charity and their associated support costs.

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

1.6 Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include head office costs, finance, personnel, payroll and governance costs which supports the charity's activities. These costs have been disclosed in note 7 to the financial statements and have been included within expenditure on charitable activities on the statement of financial activities.

1.7 Intangible Fixed Assets and Amortisation

All assets costing more than £500 are capitalised. Intangible fixed assets are stated at cost less amortisation. Amortisation is provided at a rate calculated to write off the cost of the assets, over the expected useful life on the following basis:

Database - 5 years straight line

REACH CHARITY LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2019

1.8 Tangible Fixed Assets and Depreciation

All assets more than £500 are capitalised.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over the expected useful lives on the following basis:

| | | |
|-----------|---|----------------------|
| Recorders | - | 5% reducing balance |
| Equipment | - | 10% reducing balance |

1.9 Operating Leases

Rentals under operating leases are charged to the statement of financial activities on a straight line basis over the lease term.

1.10 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving items.

1.11 Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any discounts due.

1.12 Cash at Bank and in Hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less than the date of acquisition or opening of the deposit or similar account.

1.13 Creditors and Provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

1.14 Foreign Currency

Profit and loss transactions in foreign currencies are translated into sterling at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the closing rates at the balance sheet date and the exchange differences are included in the profit and loss account.

REACH CHARITY LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2019

1.15 Financial Instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans, which are subsequently measured at amortised cost using the effective interest method.

2. Income from Donations and Legacies

| | Unrestricted 2019 | Unrestricted 2018 |
|--|------------------------------|------------------------------|
| | £ | £ |
| Gifts and Donations (includes Grants and legacies) | 84,669 | 66,899 |
| Charitable trust donations | - | 7,000 |
| Gift aid tax claimed | 14,730 | 8,529 |
| Membership Subs | 35,438 | 33,624 |
| | <u>134,837</u> | <u>116,052</u> |

3. Income from Charitable Activities

| | Unrestricted 2019 | Unrestricted 2018 |
|------------------------------------|------------------------------|------------------------------|
| | £ | £ |
| Shared experience & Recorder sales | 1,371 | 274 |
| Family weekend | 23,616 | 17,930 |
| RAW Income | 14,569 | 14,766 |
| | <u>39,556</u> | <u>32,970</u> |

4. Income earned from other trading activities

| | Unrestricted 2019 | Unrestricted 2018 |
|-------------------------|------------------------------|------------------------------|
| | £ | £ |
| Fundraising events | 4,250 | 7,352 |
| Marathon/Running events | 29,633 | 25,570 |
| Challenge event | 6,588 | 5,407 |
| Ball/Gala | 200 | 7,566 |
| Branches Income | 4,075 | 9,167 |
| Christmas cards | 72 | 118 |
| Advertising income | 10,838 | - |
| Miscellaneous income | 4,066 | 1,869 |
| | <u>59,722</u> | <u>57,049</u> |

REACH CHARITY LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2019

5. Investment income

| | Unrestricted 2019 | Unrestricted 2018 |
|---------------|------------------------------|------------------------------|
| | £ | £ |
| Bank interest | <u>75</u> | <u>75</u> |

6. Analysis of expenditure on raising funds

| | Unrestricted 2019 | Unrestricted 2018 |
|------------------------|------------------------------|------------------------------|
| | £ | £ |
| Promotional Item costs | 1,861 | 2,527 |
| Fundraising costs | 730 | 1,604 |
| Marathon/Running costs | 2,650 | 2,426 |
| Ball/Gala costs | <u>-</u> | <u>641</u> |
| | <u>5,241</u> | <u>7,198</u> |

REACH CHARITY LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2019

7. Analysis of expenditure on direct charitable activities

| | Unrestricted 2019 | Unrestricted 2018 |
|---------------------------------------|------------------------------|------------------------------|
| | £ | £ |
| Family weekend | 81,789 | 55,733 |
| RAW expenditure | 17,540 | 20,031 |
| Camping weekend | 1,875 | 1,066 |
| Bursary grants paid | 7,549 | 8,630 |
| Salaries & Wages | 60,236 | 44,805 |
| PAYE/NI | 1,342 | 196 |
| Employers pension contributions | 1,676 | 890 |
| Other employee benefits | 246 | 524 |
| Staff travel expenses | 890 | 922 |
| Recruitment costs | 6,371 | - |
| Trustees' travel expenses | 2,110 | 1,305 |
| Branches expenses | 212 | 237 |
| Branch meetings | 7,582 | 15,512 |
| Staff expenses & Training | 2,785 | 762 |
| Trustee expenses other | 555 | 245 |
| Volunteer expenses & training | 2,335 | 569 |
| Rent | 5,250 | 6,788 |
| Insurance costs | 6,214 | 5,656 |
| Recorder repairs | - | 580 |
| PR adverts | 5,058 | 7,289 |
| Telephone/Fax/Email | 1,713 | 1,144 |
| Within Reach (all costs) | 19,414 | 19,995 |
| Postage | 7,075 | 6,574 |
| Stationery | 427 | 183 |
| Website & Computing | 4,251 | 2,950 |
| Subscriptions | (12) | 807 |
| Sundry office expenses | 361 | 935 |
| Equipment repairs/replacement | 99 | 117 |
| Depreciation | 626 | 989 |
| Amortisation | 2,748 | 2,748 |
| Loss on disposal | 7,412 | - |
| Accountancy & Independent examination | 2,375 | 2,375 |
| Bank charges | 3,601 | 3,658 |
| Foreign currency (gains)/losses | 204 | (361) |
| Professional & consultancy fees | 3,613 | 3,995 |
| Infinity pilot program | 150 | - |
| Trustees meeting expenses | 2,975 | 3,381 |
| | <u>268,647</u> | <u>221,230</u> |

Included within the above costs are the following governance expenses:

| | | |
|---|--------------|--------------|
| Accountancy and independent examination | 2,375 | 2,375 |
| Trustees meeting expenses | 2,975 | 3,381 |
| | <u>5,350</u> | <u>5,756</u> |

REACH CHARITY LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2019

8. Net Expenditure

This is stated after charging:

| | 2019 £ | 2018 £ |
|--|-------------------------|-------------------------|
| Depreciation of tangible fixed assets – owned by the charity | 626 | 989 |
| Independent examiners remuneration – current examiner | 2,375 | 2,375 |
| Independent examiners fees for non-compliance services – current advisor | <u>2,852</u> | <u>2,328</u> |

No payments were made to directors or any persons connected with them during the year (2018: £Nil). No material transaction took place between the organisation and a trustee or any person connected with them.

During the year 9 trustees were reimbursed for travelling and other expenses totalling £3,504 (2018: £3,427).

9. Staff Costs

Staff costs were as follows:

| | 2019 £ | 2018 £ |
|--------------------------|-------------------------|-------------------------|
| Wages and salaries | 60,236 | 44,805 |
| National Insurance costs | 1,342 | 196 |
| Pension contributions | <u>1,676</u> | <u>890</u> |
| | <u>63,254</u> | <u>45,891</u> |

No employees received emoluments in excess of £60,000.

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

| | 2019 No. | 2018 No. |
|------------|---------------------------|---------------------------|
| Operations | <u>4</u> | <u>3</u> |
| | <u>4</u> | <u>3</u> |

REACH CHARITY LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2019

10. Intangible fixed assets

| | Database £ | Total £ |
|---|-----------------------|--------------------|
| Cost | | |
| As at 1 March 2018 and 28 February 2019 | <u>13,740</u> | <u>13,740</u> |
| Amortisation | | |
| As at 1 March 2018 | 6,444 | 6,444 |
| Charge for the year | <u>2,748</u> | <u>2,748</u> |
| As at 28 February 2019 | <u>9,192</u> | <u>9,192</u> |
| Net Book Value | | |
| At 28 February 2019 | <u>4,548</u> | <u>4,548</u> |
| At 28 February 2018 | <u>7,296</u> | <u>7,296</u> |

11. Fixed Assets

| | Recorders £ | Equipment £ | Total £ |
|-------------------------|------------------------|------------------------|--------------------|
| Cost | | | |
| As at 1 March 2018 | 23,435 | 3,052 | 26,487 |
| Additions | - | 1,203 | 1,203 |
| Disposals | <u>(10,656)</u> | <u>-</u> | <u>(10,656)</u> |
| As at 28 February 2018 | <u>12,779</u> | <u>4,255</u> | <u>17,034</u> |
| Depreciation | | | |
| At 1 March 2018 | 6,813 | 985 | 7,798 |
| Charge for the year | 298 | 328 | 626 |
| Eliminated on disposals | <u>(3,214)</u> | <u>-</u> | <u>(3,214)</u> |
| As at 28 February 2019 | <u>3,897</u> | <u>1,313</u> | <u>5,210</u> |
| Net Book Value | | | |
| At 28 February 2019 | <u>8,882</u> | <u>2,942</u> | <u>11,824</u> |
| At 28 February 2018 | <u>16,622</u> | <u>2,067</u> | <u>18,689</u> |

12. Debtors

| | 2019 £ | 2018 £ |
|--------------------------------|-------------------|-------------------|
| Trade debtors | 139 | 322 |
| Prepayments and accrued income | 14,241 | 5,175 |
| Other debtors | <u>2,863</u> | <u>3,036</u> |
| | <u>17,243</u> | <u>8,533</u> |

REACH CHARITY LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2019

13. Creditors amounts falling due within one year

| | 2019 | 2018 |
|------------------------------|---------------|---------------|
| | £ | £ |
| Trade creditors | 4,553 | 2,145 |
| Accruals and deferred income | 2,498 | 3,375 |
| Deferred income | 8,283 | 10,389 |
| Other creditors | 1,691 | 2,178 |
| | <u>17,025</u> | <u>18,087</u> |

14. Deferred Income

Deferred income comprises amounts received for fundraising events that had not taken place at the year end.

| | 2019 | 2018 |
|---|--------------|---------------|
| | £ | £ |
| Balance as at 1 March 2018 | 10,389 | 6,543 |
| Amount released to income earned from charitable activities | (10,389) | (3,860) |
| Amount deferred in the year | 8,283 | 7,706 |
| Balance as at 28 February 2019 | <u>8,283</u> | <u>10,389</u> |

15. Analysis of charitable funds

| | Fund balances brought forward £ | Income £ | Expenditure £ | Transfers £ | Fund balances carried forward £ |
|---------------------------|--|---------------------|--------------------------|------------------------|--|
| Unrestricted Funds | | | | | |
| General funds | 185,418 | 234,190 | (273,888) | - | 145,720 |
| Total unrestricted funds | <u>185,418</u> | <u>234,190</u> | <u>(273,888)</u> | <u>-</u> | <u>145,720</u> |
| Restricted Funds | | | | | |
| Research fund | 13,200 | - | - | - | 13,200 |
| Total restricted funds | <u>13,200</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>13,200</u> |
| Total funds | <u>198,618</u> | <u>234,190</u> | <u>(273,888)</u> | <u>-</u> | <u>158,920</u> |

Research Fund

The research fund represents funds donated by a member for use at the discretion of the trustees in furtherance of research aspect of upper limb deficiency understanding.

REACH CHARITY LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2019

16. Analysis of net assets between funds

| | Restricted Funds 2019 £ | Unrestricted Funds 2019 £ | Total Funds 2019 £ | Total Funds 2018 £ |
|-------------------------------|--|--|-----------------------------------|-----------------------------------|
| Intangible fixed assets | - | 4,548 | 4,548 | 7,296 |
| Tangible fixed assets | - | 11,824 | 11,824 | 18,689 |
| Current assets | 13,200 | 146,373 | 159,573 | 190,720 |
| Creditors due within one year | - | (17,025) | (17,025) | (18,087) |
| | <u>13,200</u> | <u>145,720</u> | <u>158,920</u> | <u>198,618</u> |

17. Operating Lease Commitments

At 28 February 2019 the charity had total commitments under non-cancellable operating leases as follows:

| | 2019 £ | 2018 £ |
|-------------------------|-------------------|-------------------|
| Expiry Date: | | |
| Within 1 year | 3,774 | 3,774 |
| Between 2 and 5 years | 943 | 4,717 |
| After more than 5 years | <u>-</u> | <u>-</u> |

18. Related Parties

There were no related party transactions in the year (2018: £Nil).

19. Controlling Party

The charitable company is controlled by the board of Trustees.