

COMPANY REGISTRATION NUMBER: 5302575  
CHARITY REGISTRATION NUMBER: 1109158

**Our Kids**  
**Company Limited by Guarantee**  
**Consolidated Financial Statements**  
**31 December 2019**



**HAFFNER HOFF LTD**  
Accountants & statutory auditor  
2nd Floor - Parkgates  
Bury New Road  
Prestwich  
Manchester  
M25 0TL

## **Our Kids**

**Company Limited by Guarantee**

**Consolidated Financial Statements**

**Year ended 31 December 2019**

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	<b>Page</b>
Trustees' annual report (incorporating the director's report)	<b>1</b>
Trustees' responsibilities statement	<b>7</b>
Independent auditor's report to the members	<b>8</b>
Consolidated statement of financial activities (including income and expenditure account)	<b>12</b>
Consolidated balance sheet	<b>13</b>
Statement of cash flows	<b>14</b>
Notes to the consolidated financial statements	<b>15</b>

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## **Our Kids**

### **Company Limited by Guarantee**

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

**Year ended 31 December 2019**

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The trustees, who are also the directors for the purposes of company law, present their report and the Consolidated Financial Statements of the charity for the year ended 31 December 2019.

#### **Reference and administrative details**

<b>Registered charity name</b>	Our Kids
<b>Charity registration number</b>	1109158
<b>Company registration number</b>	5302575
<b>Principal office and registered office</b>	2nd Floor - Parkgates Bury New Road Prestwich Manchester M25 0TL

#### **The trustees**

Mrs M Steinberg  
Mrs H Corn  
S A Marks

#### **Auditor**

Haffner Hoff Ltd  
Accountants & statutory auditor  
2nd Floor - Parkgates  
Bury New Road  
Prestwich  
Manchester  
M25 0TL

#### **Bankers**

Nat West Bank Plc  
64 Bury Old Road  
Manchester  
M8 5NW  
  
Santander UK Plc  
POD 38 The Green House  
Media City UK  
Manchester  
M50 2EQ

## **Our Kids**

### **Company Limited by Guarantee**

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

**Year ended 31 December 2019**

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##### **Structure, governance and management**

Our Kids is constituted by Memorandum and Articles of Association and is a company limited by guarantee. It was incorporated on 02 December 2004 as a company and the company number is 5302575. It was registered as a charity on 20 April 2005 with a charity number 1109158.

The day to day affairs are undertaken by Mr P Corn on behalf of the trustees. All major decisions are taken collectively by the trustees and all the trustees give of their time freely. The trustees are unpaid and details of any related party transactions are disclosed as applicable in the notes to the accounts. The arrangements for setting the pay of the charity's employees are the sole domain of the trustees.

There are no policies for the induction or training of new trustees.

##### **Risk review**

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

The risks faced by the trust are principally operational risks from ineffective grant making. These risks are managed by the trustees researching potential beneficiaries before granting donations.

Report back and review procedures strengthen these safeguards to ensure public benefit is achieved from all grants.

Other risks are associated with the trading subsidiaries and are operational in terms of losing market share and being unable to pay liabilities as they fall due.

The subsidiaries monitor cash flow and reputation regularly to ensure they maintain their market position so that cash flow is not an issue.

## **Our Kids**

### **Company Limited by Guarantee**

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

**Year ended 31 December 2019**

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##### **Objectives and activities**

The objects of the charity are: (i) the relief of poverty and hardship and (ii) the advancement of education for young people, with particular reference to the social and cultural aspects of education.

##### **Public benefit**

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education when reviewing the charity's aims and objectives and in planning future activities and setting grant making policy for the year.

##### **Grant making policy**

The charity has established its grant making policy to achieve its objects for the public benefit. The charity utilises funds received from the subsidiaries to pay out grants that are appropriate for the charity's objects. The charity is also engaged in actively helping young people to become employable - see below.

The application of the funds by way of grants is to either institutions or individuals and is mostly to institutions.

The trustees consider they have met the public benefit test and outline these achievements below.

The trustees measure the success of achieving the stated aims by the number and value of grants paid out for each object as well as how many successful placements are achieved each year. The grants paid out in the year are detailed in the notes to the accounts and the trustees consider they have met their aims successfully this year. Additionally, the trading subsidiary furthers the objects of the charity by employing staff as mentioned above.

The trustees consider the shorter term aims to be similar to the longer term aims and assess the achievement of the charity in the same way.

##### **Strategic report**

The following sections for achievements and performance and financial review form the strategic report of the charity.

## **Our Kids**

### **Company Limited by Guarantee**

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

#### **Year ended 31 December 2019**

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##### **Achievements and performance**

The charity received £52,610 in donations during the year.

The figures for the wholly owned trading subsidiary, Easygift Trading Limited, have been consolidated within the accounts of the charity. The notes to the accounts disclose the split of balances between the charity and the subsidiary as well as a summary of the results for the year.

Easygift Trading Limited is a UK based company that successfully provides 6 - 12 month placements offering work experience, training and employment to young adults between the ages of 16 and 24 who are unemployed. These activities are to enable the employees to become employable in other forms of employment. The success of these placements has ensured that scores of young people have gone on to be employed by other companies, something that would not have been possible prior to the placement.

These activities were made in line with the stated objects of the charity. Easygift Trading Limited pays any surpluses generated up to the parent charity.

The figures for the wholly owned trading subsidiary, Arrow Mill Management Limited, have been consolidated within the accounts of the charity. The notes to the accounts disclose the split of balances between the charity and the subsidiary as well as a summary of the results for the year.

Arrow Mill Management Limited is a UK based company that manages the premises occupied by Easygift Trading Limited as well as the subletting of the rest of the premises to third parties. Arrow Mill Management Limited pays any surpluses generated up to the parent charity.

Costs of other trading activities amounting to £8,762,147 represents the expenses of both subsidiaries as consolidated within the accounts of the parent charity.

The charity paid out other grants and support costs totalling £54,297. All grants over £1,000 made during the year to institutions are as detailed in the accounts and were made in line with the stated objects of the charity and were for educational and communal purposes.

The charity has governance costs that comprise professional fees.

There were no material fundraising costs incurred during the year.

During the year the trustees considered the fair value of the land and buildings of the charity, the trustees confirm there has been no change in the fair value of from last year.

There was an overall net income and movement of funds for the year amounting to £535,005.

## **Our Kids**

### **Company Limited by Guarantee**

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

#### **Year ended 31 December 2019**

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##### **Financial review**

##### **Investment performance**

The trustees report that the wholly owned trading subsidiaries reported healthy profits for the year. The trustees consider this outstanding as the venture was only set up to train young people with social, emotional, behavioural and educational difficulties

The actual figures can be found in the notes to the accounts.

The trustees feel that the year was outstanding in terms of income generated from the trading subsidiary. The trustees are delighted to have also made many valuable contributions to the community from the charity itself and hope to be able to do so for many years to come.

##### **Reserves policy**

The Unrestricted Fund represents the unrestricted fund arising from past operating results.

The Trustees are satisfied that the balance of the fund is an acceptable level of reserves given the nature of revenue receipts against grants payable. The trustees intend to retain a level of reserves that reflects the risk of the charity and the subsidiary.

The reserves stand at £3,167,739, all of which are unrestricted.

##### **Coronavirus**

The impact of coronavirus on the charity is yet to be established. The government scheme called JRS has been utilised and staff furloughed as applicable. Everyone associated with the charity has been working extremely hard to ensure the smooth running of the trading subsidiaries during this unprecedented situation.

It should be noted that there has been a huge boost to on line sales to date in 2020 as a direct result of coronavirus. The trustees consider the charity and its subsidiaries to be well positioned to continue for the foreseeable future.

##### **Plans for future periods**

The trustees plan to continue raising funds for projects in line with the Memorandum & Articles of Association and pursue those objectives and projects with all the resources available to the charity.

## **Our Kids**

### **Company Limited by Guarantee**

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

**Year ended 31 December 2019**

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#### **Auditor**

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

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

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

The trustees' annual report and the strategic report were approved on 22 October 2020 and signed on behalf of the board of trustees by:

**Mrs M Steinberg**  
Trustee





## **Our Kids**

### **Company Limited by Guarantee**

### **Trustees' Responsibilities Statement**

**Year ended 31 December 2019**

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

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

In preparing these Consolidated Financial Statements, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the Consolidated Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Our Kids**

### **Company Limited by Guarantee**

### **Independent Auditor's Report to the Members of Our Kids**

**Year ended 31 December 2019**

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#### **Opinion**

We have audited the Consolidated Financial Statements of Our Kids (the 'Charity') for the year ended 31 December 2019 which comprise the consolidated statement of financial activities (including income and expenditure account), consolidated balance sheet, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the Consolidated Financial Statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

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

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

## **Our Kids**

### **Company Limited by Guarantee**

#### **Independent Auditor's Report to the Members of Our Kids *(continued)***

**Year ended 31 December 2019**

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##### **Other information**

The other information comprises the information included in the annual report, other than the Consolidated Financial Statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the Consolidated Financial Statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the Consolidated Financial Statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

##### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

##### **Matters on which we are required to report by exception**

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the Consolidated Financial Statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

## **Our Kids**

### **Company Limited by Guarantee**

#### **Independent Auditor's Report to the Members of Our Kids *(continued)***

**Year ended 31 December 2019**

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##### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the Consolidated Financial Statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

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

##### **Auditor's responsibilities for the audit of the consolidated financial statements**

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

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

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

### Company Limited by Guarantee

#### Independent Auditor's Report to the Members of Our Kids *(continued)*

#### Year ended 31 December 2019

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

#### Use of our report

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



**Michael Black FCCA** (Senior Statutory Auditor)

For and on behalf of  
**Haffner Hoff Ltd**  
Accountants & statutory auditor

2nd Floor - Parkgates  
Bury New Road  
Prestwich  
Manchester  
M25 0TL

22 October 2020

## Our Kids

### Company Limited by Guarantee

### Consolidated Statement of Financial Activities (Including Income and Expenditure Account)

Year ended 31 December 2019

		2019	2018
		Unrestricted funds	Total funds
	Note	£	£
<b>Income and endowments</b>			
Donations and legacies	5	52,610	52,610
Other trading activities	6	9,298,805	9,298,805
Investment income	7	34	34
<b>Total income</b>		<u>9,351,449</u>	<u>9,351,449</u>
<b>Expenditure</b>			
Expenditure on raising funds:			
Costs of other trading activities	8	8,803,755	8,803,755
Expenditure on charitable activities	9,10	70,888	70,888
<b>Total expenditure</b>		<u>8,874,643</u>	<u>8,874,643</u>
<b>Net income and net movement in funds</b>		<u>476,806</u>	<u>476,806</u>
<b>Reconciliation of funds</b>			
Total funds brought forward		2,632,734	2,632,734
<b>Total funds carried forward</b>		<u>3,109,540</u>	<u>3,109,540</u>

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

The notes on pages 15 to 26 form part of these Consolidated Financial Statements.

## Our Kids

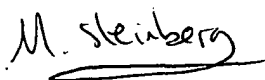
### Company Limited by Guarantee

### Consolidated Balance Sheet

31 December 2019

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible fixed assets	16	3,096,723	3,079,723
<b>Current assets</b>			
Stocks	18	2,287,903	1,890,206
Debtors	19	577,707	477,149
Cash at bank and in hand		569,418	465,370
		<u>3,435,028</u>	<u>2,832,725</u>
Creditors: amounts falling due within one year	20	2,346,769	2,018,632
<b>Net current assets</b>		<u>1,088,259</u>	<u>814,093</u>
<b>Total assets less current liabilities</b>		<u>4,184,982</u>	<u>3,893,816</u>
Creditors: amounts falling due after more than one year	21	1,075,442	1,251,082
<b>Net assets</b>		<u>3,109,540</u>	<u>2,642,734</u>
<b>Funds of the charity</b>			
Unrestricted funds:			
Revaluation reserve		1,100,634	1,110,634
Other unrestricted income funds		2,008,906	1,532,100
<b>Total unrestricted funds</b>		<u>3,109,540</u>	<u>2,642,734</u>
<b>Total charity funds</b>	24	<u>3,109,540</u>	<u>2,642,734</u>

These Consolidated Financial Statements were approved by the board of trustees and authorised for issue on 22 October 2020, and are signed on behalf of the board by:



**Mrs M Steinberg**  
Trustee

The notes on pages 15 to 26 form part of these Consolidated Financial Statements.

# Our Kids

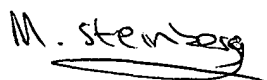
## Company Limited by Guarantee

### Balance Sheet

31 December 2019

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible fixed assets	17	2,762,268	2,802,774
<b>Current assets</b>			
Stocks	19		
Debtors	20	9,868	25,368
Cash at bank and in hand		12,334	32,412
		<u>22,202</u>	<u>57,780</u>
<b>Creditors: amounts falling due within one year</b>	21	<u>139,500</u>	<u>133,510</u>
<b>Net current assets/(liabilities)</b>		(117,298)	(75,730)
<b>Total assets less current liabilities</b>		<u>2,644,970</u>	<u>2,727,044</u>
<b>Creditors: amounts falling due after more than one year</b>	22	<u>895,833</u>	<u>1,251,082</u>
<b>Net assets</b>		<u><u>1,749,137</u></u>	<u><u>1,475,962</u></u>
<b>Funds of the charity</b>			
Unrestricted funds:			
Revaluation reserve		1,110,634	1,110,634
Other unrestricted income funds		<u>638,503</u>	<u>365,328</u>
<b>Total unrestricted funds</b>		<u>1,749,137</u>	<u>1,475,962</u>
<b>Total charity funds</b>	25	<u><u>1,749,137</u></u>	<u><u>1,475,962</u></u>

These Financial Statements were approved by the board of trustees and authorised for issue on 22 October 2020, and are signed on behalf of the board by:



Mrs M Steinberg  
Trustee

The notes on pages 15 to 26 form part of these Consolidated Financial Statements.



## Our Kids

### Company Limited by Guarantee

#### Statement of Cash Flows

Year ended 31 December 2019

	2019 £	2018 £
<b>Cash flows from operating activities</b>		
Net income	476,806	301,647
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	90,184	81,615
Other interest receivable and similar income	(34)	(52)
Interest payable and similar charges	1,468	–
Accrued (income)/expenses	(9,992)	12,786
<i>Changes in:</i>		
Stocks	(397,697)	(644,787)
Trade and other debtors	(100,558)	(73,346)
Trade and other creditors	168,715	486,088
Cash generated from operations	228,892	163,951
Interest paid	(1,468)	–
Interest received	34	52
Net cash from operating activities	<u>227,458</u>	<u>164,003</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	(107,184)	(41,474)
Proceeds from sale of tangible assets	–	8,785
Net cash used in investing activities	<u>(107,184)</u>	<u>(32,689)</u>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	31,121	56,606
Payments of finance lease liabilities	(47,347)	(30,732)
Net cash (used in)/from financing activities	<u>(16,226)</u>	<u>25,874</u>
<b>Net increase in cash and cash equivalents</b>	<b>104,048</b>	<b>157,188</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>465,370</b>	<b>308,182</b>
<b>Cash and cash equivalents at end of year</b>	<b><u>569,418</u></b>	<b><u>465,370</u></b>

The notes on pages 15 to 26 form part of these Consolidated Financial Statements.

## **Our Kids**

### **Company Limited by Guarantee**

#### **Notes to the Consolidated Financial Statements**

**Year ended 31 December 2019**

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**1. General information**

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is 2nd Floor - Parkgates, Bury New Road, Prestwich, Manchester, M25 0TL.

**2. Statement of compliance**

These Consolidated Financial Statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Companies Act 2006.

**3. Accounting policies**

**Consolidation**

These financial statements consolidate the results of the charity and its 100% subsidiary Easygift Trading Limited, a UK company with a registered company number being 7061441. The registered office is Arrow Mill, Queensway, Rochdale, Lancashire, England, OL11 2YW. This is in accordance with SORP FRS 102 paragraph 9.13. The year end of Easygift Trading Limited is 31 December 2019.

These financial statements also consolidate the results of the charity and its other 100% subsidiary Arrow Mill Management Limited, a UK company with a registered company number being 9773133. The registered office is Arrow Mill, Queensway, Rochdale, Lancashire, England, OL11 2YW. This is in accordance with SORP FRS 102 paragraph 9.13. The year end of Arrow Mill Management Limited is 31 December 2019.

The charity has not produced an individual SOFA and has availed itself of the exemption conferred by s408 Companies Act 2006. The trustees consider the extra notes attached to the SOFA notes to be sufficient disclosure of the individual charity's SOFA.

**Basis of preparation**

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

The Consolidated Financial Statements are prepared in sterling, which is the functional currency of the entity.

**Going concern**

There are no material uncertainties about the charity's ability to continue and the trustees refer to the information contained in the trustee's report under financial review.

**Fair value**

Debtors and creditors are stated at fair value.

## **Our Kids**

### **Company Limited by Guarantee**

#### **Notes to the Consolidated Financial Statements *(continued)***

**Year ended 31 December 2019**

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##### **Fair value**

Debtors and creditors are stated at fair value.

##### **Judgements and key sources of estimation uncertainty**

The preparation of the financial statements did not require management to make judgements, estimates or assumptions that affect the amounts reported besides the value of the land and buildings.

##### **Foreign currencies**

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the statement of financial activities.

##### **Fund accounting**

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

## **Our Kids**

### **Company Limited by Guarantee**

#### **Notes to the Consolidated Financial Statements *(continued)***

##### **Year ended 31 December 2019**

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### **3. Accounting policies *(continued)***

#### **Incoming resources**

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations, grants and rental income are recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

#### **Resources expended**

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

#### **Tangible assets**

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

## Our Kids

### Company Limited by Guarantee

#### Notes to the Consolidated Financial Statements *(continued)*

##### Year ended 31 December 2019

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### 3. Accounting policies *(continued)*

#### Tangible assets *(continued)*

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

#### Depreciation

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

Freehold Property	- Property improvements are depreciated at 5% in the subsidiaries. No depreciation is charged on land and buildings as held at fair value – this is a departure from the Companies Act but is appropriate to ensure truth and fairness.
Plant & machinery	- 15% reducing balance
Fixtures & fittings	- 15% reducing balance
Motor Vehicles	- 25% straight line
Equipment	- 33% reducing balance

#### Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

#### Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

#### Financial instruments

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

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## **Our Kids**

### **Company Limited by Guarantee**

#### **Notes to the Consolidated Financial Statements *(continued)***

##### **Year ended 31 December 2019**

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### **3. Accounting policies *(continued)***

#### **Financial instruments *(continued)***

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

#### **Defined contribution plans**

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

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

## Our Kids

### Company Limited by Guarantee

#### Notes to the Consolidated Financial Statements *(continued)*

Year ended 31 December 2019

#### 4. Limited by guarantee

Our Kids is a registered charity and a company limited by guarantee and does not have a share capital. In the event of the charity being wound up, members are required to contribute an amount not exceeding £10.

#### 5. Donations and legacies

	Unrestricted Funds £	Total Funds 2019 £	Unrestricted Funds £	Total Funds 2018 £
<b>Donations</b>				
Donations	52,610	52,610	10,328	10,328

Donations receivable are wholly attributable to the charity.

#### 6. Other trading activities

	Unrestricted Funds £	Total Funds 2019 £	Unrestricted Funds £	Total Funds 2018 £
Arrow Mill Management Ltd	842,748	842,748	738,467	738,467
Easygift Trading Ltd	8,456,057	8,456,057	6,486,576	6,486,576
	<u>9,298,805</u>	<u>9,298,805</u>	<u>7,225,043</u>	<u>7,225,043</u>

Other trading activities is wholly attributable to the subsidiaries of the charity.

#### 7. Investment income

	Unrestricted Funds £	Total Funds 2019 £	Unrestricted Funds £	Total Funds 2018 £
Bank interest receivable	34	34	52	52

Investment income related only to the subsidiaries.

#### 8. Costs of other trading activities

	Unrestricted Funds £	Total Funds 2019 £	Unrestricted Funds £	Total Funds 2018 £
Easygift Trading Ltd	8,075,856	8,075,856	6,281,734	6,281,734
Arrow Mill Management Ltd	727,899	727,899	584,317	584,317
	<u>8,803,755</u>	<u>8,803,755</u>	<u>6,866,051</u>	<u>6,866,051</u>

Other trading activities is wholly attributable to the subsidiaries of the charity.

## Our Kids

### Company Limited by Guarantee

#### Notes to the Consolidated Financial Statements *(continued)*

Year ended 31 December 2019

#### 9. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2019 £	Unrestricted Funds £	Total Funds 2018 £
Charitable grants	48,947	48,947	54,525	54,525
Support costs	21,941	21,941	13,200	13,200
	<u>70,888</u>	<u>70,888</u>	<u>67,725</u>	<u>67,725</u>

Donations receivable are wholly attributable to the charity.

#### 10. Expenditure on charitable activities by activity type

	Grant funding of activities £	Support costs £	Total funds 2019 £	Total fund 2018 £
Charitable grants	48,947	–	48,947	54,525
Governance costs	–	21,941	21,941	13,200
	<u>48,947</u>	<u>21,941</u>	<u>70,888</u>	<u>67,725</u>

Charitable activities are wholly attributable to the charity.

#### 11. Analysis of grants

	2019 £	2018 £
<b>Grants to institutions</b>		
Asser Bishvil Foundation	6,000	–
Educational grants	–	19,122
Grants under £2,000	14,997	4,973
Jewish High	5,200	–
Josh C T	2,000	–
JTTC	3,000	8,730
Kolyom Trust Limited	13,750	15,100
Ner Foundation	–	4,000
Scholarships	–	2,600
Tashbar	4,000	–
	<u>48,947</u>	<u>54,525</u>
Total grants in line with the objects of the charity	<u>48,947</u>	<u>54,525</u>

#### 12. Net income

Net income is stated after charging/(crediting):

	2019 £	2018 £
Depreciation of tangible fixed assets	90,184	81,615
Operating lease rentals	167	120
Foreign exchange differences	<u>(3,578)</u>	<u>10,065</u>



## Our Kids

### Company Limited by Guarantee

#### Notes to the Consolidated Financial Statements *(continued)*

#### Year ended 31 December 2019

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##### 13. Auditors remuneration

	2019	2018
	£	£
Fees payable for the audit of the consolidated financial statements	<u>6,500</u>	<u>7,500</u>
Fees payable to the charity's auditor and its associates for other services: Other non-audit services	<u>2,000</u>	<u>2,000</u>

##### 14. Staff costs

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

	2019	2018
	£	£
Wages and salaries	1,264,923	1,027,823
Social security costs	50,170	43,867
Employer contributions to pension plans	9,467	4,468
	<u>1,324,560</u>	<u>1,076,158</u>

The average head count of employees during the year was 63 (2018: 57). The average number of full-time equivalent employees during the year is analysed as follows:

	2019	2018
	No.	No.
Number of distribution staff - Easygift Trading Ltd	53	47
Number of administrative staff - Arrow Mill Management Ltd	10	10
	<u>63</u>	<u>57</u>

No employee received employee benefits of more than £60,000 during the year (2018: Nil).

##### 15. Trustee remuneration and expenses

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

## Our Kids

### Company Limited by Guarantee

#### Notes to the Consolidated Financial Statements *(continued)*

#### Year ended 31 December 2019

##### 16. Tangible fixed assets

	Land and buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 January 2019	2,836,666	134,387	415,679	35,998	<b>3,422,730</b>
Additions	–	19,120	88,064	–	<b>107,184</b>
<b>At 31 December 2019</b>	<b>2,836,666</b>	<b>153,507</b>	<b>503,743</b>	<b>35,998</b>	<b>3,529,914</b>
<b>Depreciation</b>					
At 1 January 2019	33,892	88,221	202,312	18,582	<b>343,007</b>
Charge for the year	15,105	3,726	66,889	4,464	<b>90,184</b>
<b>At 31 December 2019</b>	<b>48,997</b>	<b>91,947</b>	<b>269,201</b>	<b>23,046</b>	<b>433,191</b>
<b>Carrying amount</b>					
<b>At 31 December 2019</b>	<b>2,787,669</b>	<b>61,560</b>	<b>234,542</b>	<b>12,952</b>	<b>3,096,723</b>
At 31 December 2018	2,802,774	46,166	213,367	17,416	3,079,723

The freehold property was externally revalued on 9th August 2017. The valuation was carried out by JLL on behalf of Santander Plc and represents the fair value of the freehold property.

Fixed assets include £334,456 attributable to the subsidiaries of the charity. The remaining amount is attributable to the charity.

Fixed asset investments extra disclosure in line with SI 2008/629-19 (1)a, Sch 2 (1) 1 (j) for the two subsidiaries for the period ended 31 December 2019 is as detailed below:-

	<b>Easygift Trading Ltd</b>	<b>Arrow Mill Management Ltd</b>
Turnover	£8,456,057	£842,748
Expenditure	£8,310,908	£833,257
Profit	£145,149	£9,491

##### 17. Cash at bank and in hand

Cash at bank and in hand includes £557,084 attributable to the subsidiaries of the charity. The remaining amount is attributable to the charity.

##### 18. Stocks

	<b>2019 £</b>	<b>2018 £</b>
Raw materials and consumables	<b>2,287,903</b>	<b>1,890,206</b>

All stocks are attributable to the subsidiaries of the charity.

## Our Kids

### Company Limited by Guarantee

#### Notes to the Consolidated Financial Statements *(continued)*

#### Year ended 31 December 2019

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##### 19. Debtors

	2019	2018
	£	£
Trade debtors	445,497	296,885
Prepayments and accrued income	122,342	145,396
Other debtors	9,868	34,868
	<u>577,707</u>	<u>477,149</u>

Debtors include £567,839 attributable to the subsidiaries of the charity. The remaining amount is attributable to the charity.

##### 20. Creditors: amounts falling due within one year

	2019	2018
	£	£
Bank loans and overdrafts (secured on assets of the charity)	483,947	361,425
Trade creditors	1,114,647	1,075,807
Accruals and deferred income	87,773	97,765
Social security and other taxes	281,848	254,980
Obligations under finance leases and hire purchase contracts	27,498	40,606
Other creditors	351,056	188,049
	<u>2,346,769</u>	<u>2,018,632</u>

Creditors falling due within one year include £2,207,269 attributable to the subsidiaries of the charity. The remaining amount is attributable to the charity.

##### 21. Creditors: amounts falling due after more than one year

	2019	2018
	£	£
Bank loans and overdrafts (secured on assets of the charity)	895,833	987,234
Obligations under finance leases and hire purchase contracts	—	24,239
Other creditors	179,609	239,609
	<u>1,075,442</u>	<u>1,251,082</u>

Creditors falling due after more than one year are mostly attributable to the charity apart from £179,609.

## Our Kids

### Company Limited by Guarantee

#### Notes to the Consolidated Financial Statements *(continued)*

#### Year ended 31 December 2019

##### 22. Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	2019 £	2018 £
Not later than 1 year	27,498	40,606
Later than 1 year and not later than 5 years	–	24,239
	<u>27,498</u>	<u>64,845</u>

##### 23. Pensions and other post retirement benefits

###### Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £9,467 (2018: £4,468).

##### 24. Analysis of charitable funds

###### Unrestricted funds

	At 01 Jan 2019 £	Income £	Expenditure £	At 31 Dec 2019 £
General funds	1,532,100	9,351,449	(8,874,643)	2,008,906
Revaluation reserve	1,100,634	–	–	1,100,634
	<u>2,632,734</u>	<u>9,351,449</u>	<u>(8,874,643)</u>	<u>3,109,540</u>

	At 01 Jan 2018 £	Income £	Expenditure £	At 31 Dec 2018 £
General funds	1,230,453	7,235,423	(6,933,776)	1,532,100
Revaluation reserve	1,110,634	–	–	1,110,634
	<u>2,341,087</u>	<u>7,235,423</u>	<u>(6,933,776)</u>	<u>2,642,734</u>

## Our Kids

### Company Limited by Guarantee

#### Notes to the Consolidated Financial Statements *(continued)*

#### Year ended 31 December 2019

##### 25. Analysis of net assets between funds

	Unrestricted Funds	Total Funds
	£	£
Tangible fixed assets	3,096,723	3,096,723
Current assets	3,435,028	3,435,028
Creditors less than 1 year	(2,346,769)	(2,346,769)
Creditors greater than 1 year	(1,075,442)	(1,075,442)
<b>Net assets</b>	<b>3,109,540</b>	<b>3,109,540</b>

	Unrestricted Funds	Total Funds
	£	£
Tangible fixed assets	3,079,723	3,079,723
Current assets	2,832,725	2,832,725
Creditors less than 1 year	(2,018,632)	(2,018,632)
Creditors greater than 1 year	(1,251,082)	(1,251,082)
<b>Net assets</b>	<b>2,642,734</b>	<b>2,642,734</b>

##### 26. Analysis of changes in net debt

	At 1 Jan 2019	Cash flows	At 31 Dec 2019
	£	£	£
Cash at bank and in hand	465,370	104,048	569,418
Debt due within one year	(402,031)	(109,414)	(511,445)
Debt due after one year	(1,011,473)	115,640	(895,833)
	<u>(948,134)</u>	<u>110,274</u>	<u>(837,860)</u>

##### 27. Related parties

Mr Steinberg, husband of Mrs M Steinberg, a trustee of Our Kids, is also a director of Highland Park Insurance. During the year Easygift Trading Limited purchased insurance premiums of £2,709 from Highland Park Insurance on an arm's length basis.

Mr S Rose, director of Easygift Trading Ltd, is also director and shareholder of Simon Rose Ltd. Included within creditors is £208,902 owing to Simon Rose Ltd for services rendered. During the year Easygift Trading Ltd paid commissions of £230,592 to Simon Rose Ltd.

##### 28. Contingencies

As at 31 December 2019 the charity was involved in a legal dispute regarding the rates liability of one the trading subsidiaries. The issue is whether the company can avail itself of any rates relief based on its activities. The annual rates liability is in the region of £90,000. The trustees have taken legal advice and do not consider that there is any probable loss. No provision has been made in these financial statements.

##### 29. Taxation

Our Kids is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.