

Charity Registration No. 1069085

Company Registration No. 03512607 (England and Wales)

MOTIV8 SOUTH LIMITED
TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2004



MOTIV8 SOUTH LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Ian Piper Mark Button Julia Priestley (nee Hughes) (Appointed 7 August 2003)
Secretary	Mark Button
Charity number	1069085
Company number	03512607
Principal address	The Guildhall Guildhall Square Portsmouth Hampshire PO1 2AL
Registered office	53 Kent Road Southsea Hampshire PO5 3HU
Auditors	Jones Avens 53 Kent Road Southsea Hampshire PO5 3HU
Bankers	Co-operative Bank plc 46/48 Arundel Street Portsmouth Hampshire PO1 1TD CAF Gold Fund Kings Hill West Malling Kent ME19 4TA

MOTIV8 SOUTH LIMITED

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MOTIV8 SOUTH LIMITED

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2004

The trustees present their report and accounts for the year ended 31 March 2004.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, applicable law and the requirements of the Statement of Recommended Practice, "Accounting and Reporting by Charities" issued in October 2000.

Legal and administrative information

The company was incorporated on 18 February 1998 and is limited by guarantee. The company is registered as a charity. The company is governed by the articles and memorandum of association. The schedule of company information sets out further details.

The charity is governed by the Council of Management comprising not less than two or more than eight members. At each annual general meeting one third of the members shall retire and will be eligible for re-election.

Charitable objectives

The objects for which the association was established are "To promote for the benefit of the public the protection of people and property from criminal acts and to reduce crime and the fear of crime through strategic and social crime prevention methods".

Investment powers

The memorandum and articles of association grant wide powers of investment to the trustees.

Review of activities

The year ending 31 March 2004 was a successful year for Motiv8 South Limited (previously Portsmouth Community Safety Partnership). Financially stable with a stable, committed staff team and suitable systems and infrastructure in place the organisation successfully fulfilled all contracts and service level agreements.

The audit by the Home Office of the Youth Inclusion Programme (YIP) gave a clean bill of health, and our financial systems were approved. Indeed, Motiv8 South Limited's system of match funding accounting has been adopted and further developed by the Youth Justice Board for YIP's nationally.

Motiv8 South Limited was delighted and proud that the national evaluation of the YIP announced an 82% reduction in offending amongst the young people involved in the project over the last three years.

Overall 2003/04 was a year of managed, steady development and successful delivery.

During the year the three year Business Plan was completed and published along with the Strategic Aims and eighteen month Annual Review.

As planned, the organisation changed it's name. Following a wide consultation process with stakeholders and young people in October 2003 Portsmouth Community Safety Partnership became Motiv8 South Limited. The new name was launched along with new logo, marketing materials and Business Plan at a highly successful public event held in Tiger Tiger at Gunwharf in November 2003, with 150 attendees and speakers including Hugh Marriage OBE from GOSE and Mike Hancock CBE, MP for Portsmouth South.

MOTIV8 SOUTH LIMITED

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2004

Provisions made within last year's accounts to invest in the Business Plan implementation and the organisation development were carried out as shown in the accounts. It has meant that the skills and knowledge of our staff team has improved along with standards of delivery to young people.

Services are now delivered across two departments which increases resources at the point of delivery and facilitates interdisciplinary working. Motiv8 South Limited works closely with the local authority, Youth Offending Team, Connexions, Portsmouth University as well as other voluntary agencies in it's delivery and planning of services.

In the year ahead the fundraising strategy will be developed and implemented. Target areas for funding are to support the infrastructure development of the organisation, e.g., data collection and analysis, evaluation of services and participation of young people, one to one support as well as fundraising for a new minibus.

Trustees

The trustees, who are also the directors for the purpose of company law, who served during the year were:

Ian Piper

Mark Button

Marion Dawson (Resigned 5 June 2003)

Julia Priestley (nee Hughes) (Appointed 7 August 2003)

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

Review of financial position

In the last year of operation the charity has generated income of £661,869 (2003 - £629,272) and at 31 March 2004 carried forward funds of £129,932 (2003 - £113,139) of which £63,974 was unrestricted, £64,000 was designated and £1,958 was restricted.

Designated funds:

The Board has approved the following allocation of designated funds:

*Contribution to new minibus - £10,000.

*Organisation development - £48,000 over twelve months. The Board considers ongoing investment in the organisation's development is essential if Motiv8 South Limited is to maintain it's role within Portsmouth and beyond. Budget planning has indicated that next year will cause some difficulties unless key funding targets are achieved. To this end the Board have approved a twelve month investment of £48,000 to support the financial and funding development of the organisation. The purpose of these funds will be to kick start the funding development process without delay and to initiate long term momentum in this area of work.

*Redundancy/ programme closure costs - £6,000. Specifically, funds are required to be designated in the event of redundancy and closure of specific projects. Two funding streams will terminate in March 2005 with potential knock on effects of redundancy and programme closure costs. We hope to ensure exit strategies are effective but recognise they may not be. Therefore, £6,000 is designated to cover known potential redundancy and programme closure costs in the year.

MOTIV8 SOUTH LIMITED

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2004

Reserves policy

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. As at the year end unrestricted funds reserves represented approximately five weeks expenditure. The trustees will be considering ways of improving this.

Risk factors

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks. There are three key areas which summarise areas of risk for the organisation:

Financial:

Accounting systems have been strengthened in the last two years to ensure prevention of fraud, prevention of theft, accountability to commissioners as well as suitable forward budget planning processes are in place. Whilst it is recognised that Motiv8 South Limited can not control the funding environment the organisation can seek to maintain clarity of objectives and opportunities and the Board will ensure suitable planning and action is taken.

Services:

A comprehensive risk assessment policy and procedures have been drawn up and implemented this year to ensure safety of staff and young people at all times. Standards of services and fulfillment of contracts is managed through clear target setting and work planning on an annual basis.

Personnel:

Staff retention has been focused upon to strengthen for long term development of services and organisation. This area of risk has been addressed through priorities within the Business Plan and assistance from "Investors in People" regarding staff career planning and development, along with investment in staff training. Setting standards for performance is embedded in induction and supervision.

The assessment of risk is and will remain an ongoing process. During the coming year the organisation seeks to adopt a comprehensive risk assessment process to assist in the overall, ongoing management of risk.

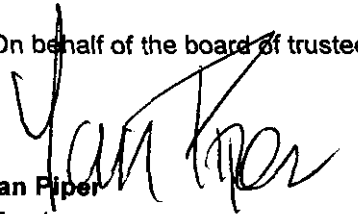
Asset cover for funds

There are adequate and available assets of each fund sufficient to meet all liabilities and obligations.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Jones Avens be reappointed as auditors of the company will be put to the Annual General Meeting.

On behalf of the board of trustees



Ian Piper
Trustee

Dated: 4 August 2004

MOTIV8 SOUTH LIMITED

STATEMENT OF TRUSTEES' RESPONSIBILITIES

Company law requires the trustees to prepare accounts for each financial year which give a true and fair view of the charitable company's state of affairs at the end of the year and of its income and expenditure for that period.

In preparing those accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the accounts comply with the Companies Act 1985. they are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

MOTIV8 SOUTH LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MOTIV8 SOUTH LIMITED

We have audited the accounts of Motiv8 South Limited for the year ended 31 March 2004 set out on pages 6 to 14. These accounts have been prepared under the historical cost convention and the accounting policies set out on page 8.

This report is made solely to the charity's trustees, as a body, in accordance with Section 43 of the Charities Act 1993. Our audit work has been undertaken so that we might state to the charity's trustees 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As described on page 4, the trustees, who are also the directors of Motiv8 South Limited for the purpose of company law, are responsible for the preparation of accounts in accordance with applicable law and United Kingdom Accounting Standards. Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' Report is not consistent with the accounts, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charitable company is not disclosed.

We read other information contained in the Trustees' Report, and consider whether it is consistent with the audited accounts. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounts. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the accounts, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the charitable company's state of affairs as at 31 March 2004 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Jones Avens

Chartered Accountants

Registered Auditor

53 Kent Road

Southsea

Hampshire

PO5 3HU

Dated: 4 August 2004



MOTIV8 SOUTH LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2004

	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2004 £	Total 2003 £
<u>Incoming resources</u>						
Donations and legacies	2	-	-	-	-	720
Activities in furtherance of the charity's objectives	3	491,366	-	161,880	653,246	602,018
Investment income	4	2,493	-	-	2,493	1,808
Other incoming resources	5	6,130	-	-	6,130	24,726
Total incoming resources		499,989	-	161,880	661,869	629,272
<u>Resources expended</u>						
<u>Charitable expenditure</u>						
Direct charitable expenditure		429,564	-	160,951	590,515	531,527
Management and administration		54,563	-	-	54,563	55,683
Total resources expended	6	484,127	-	160,951	645,078	587,210
Net incoming resources before transfers		15,862	-	929	16,791	42,062
Transfers between funds		(19,000)	19,000	-	-	-
Net (expenditure)/income for the year/ Net movement in funds		(3,138)	19,000	929	16,791	42,062
Fund balances at 1 April 2003		67,112	45,000	1,029	113,141	71,077
Fund balances at 31 March 2004		63,974	64,000	1,958	129,932	113,139

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 1985.

MOTIV8 SOUTH LIMITED

BALANCE SHEET AS AT 31 MARCH 2004

	Notes	2004		2003	
		£	£	£	£
Fixed assets					
Tangible assets	9		1,685		1,309
Current assets					
Debtors	10	50,128		46,726	
Cash at bank and in hand		134,879		113,602	
		<u>185,007</u>		<u>160,328</u>	
Creditors: amounts falling due within one year	11	<u>(56,760)</u>		<u>(48,498)</u>	
Net current assets			<u>128,247</u>		<u>111,830</u>
Total assets less current liabilities			<u><u>129,932</u></u>		<u><u>113,139</u></u>
Income funds					
Restricted funds	12		1,958		1,028
Unrestricted funds:					
Designated funds	13		64,000		45,000
Other charitable funds			<u>63,974</u>		<u>67,111</u>
			<u><u>129,932</u></u>		<u><u>113,139</u></u>

The accounts were approved by the Board on 4 August 2004

Trustee

Jolie Presting

Van Pijp

MOTIV8 SOUTH LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2004

1 Accounting policies

1.1 Basis of preparation

The accounts are prepared under the historical cost convention and in accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2000) issued in October 2000, applicable accounting standards and the Companies Act.

1.2 Incoming resources

Income from donations and grants, including capital grants, is included in incoming resources when receivable, except as follows:

When donors specify that donations and grants given to the charity must be used in future accounting periods, the income is deferred until those periods.

When donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met.

When donors specify that donations and grants, including capital grants, are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

Grant clawbacks are deducted from incoming resources if they occur in the same accounting period. Grant clawbacks made in subsequent accounting periods are shown as outgoing resources in preference to negative income.

1.3 Resources expended

Costs which are identified as relating to restricted activities are allocated directly to those activities. Costs which relate to the general running of the charity are allocated against unrestricted funds, and within the statement of financial activities these expenses are shown as direct charitable expenditure except for the chief executive officer's salary, legal and professional fees, audit and accountancy, and bank charges and interest, all of which are shown as management and administration expenses.

Irrecoverable VAT is allocated to the expenditure heading to which it relates.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Computer equipment	50% straight line
Fixtures, fittings & equipment	50% straight line
Motor vehicles	25% straight line

1.5 Leasing and hire purchase commitments

Operating lease rentals are recognised in the statement of financial activities as incurred.

1.6 Restricted Funds

Restricted funds are funds subject to specific conditions imposed by donors as to how they may be used. The purposes and uses of the restricted funds are set out in note 12 to the accounts.

1.7 Designated Funds

The designated fund has been set up to assist in identifying those funds which are not free funds.

MOTIV8 SOUTH LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2004

It represents amounts which have been put aside out of unrestricted funds at the discretion of the trustees.

1.8 Unrestricted Funds

Unrestricted funds represent funds which are expendable at the discretion of the trustees in the furtherance of the objects of the charity.

2 Donations and legacies

	Total 2004 £	Total 2003 £
Donations and gifts	-	720

3 Activities in furtherance of the charity's objectives

	Unrestricted funds £	Restricted funds £	Total 2004 £	Total 2003 £
Service level agreements and grants	481,366	-	481,366	378,068
Government funding	10,000	161,880	171,880	186,950
Charitable grants	-	-	-	37,000

4 Investment income

	2004 £	2003 £
Interest receivable	2,493	1,808

5 Other incoming resources

	2004 £	2003 £
Other income	6,130	24,726

MOTIV8 SOUTH LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2004

6 Total resources expended

	Staff costs £	Depreciation £	Other costs £	Total 2004 £	Total 2003 £
Charitable expenditure:					
Direct charitable expenditure	333,283	2,986	254,246	590,515	531,527
Management and administration	44,906	-	9,657	54,563	55,683
	<u>378,189</u>	<u>2,986</u>	<u>263,903</u>	<u>645,078</u>	<u>587,210</u>

Other costs relating to direct charitable expenditure comprise:

Rent and room hire	-	13
Activities and events	9,788	11,333
Staff training and other costs	1,933	3,105
Staff travel and subsistence	1,002	733
Volunteer expenses	7	402
Volunteer training	-	3,778
Consultancy fees	-	4,755
Insurances	-	2,008
Telephone	242	1,359
Printing, postage, stationery and advertising	1,137	1,144
Coach, minibus, and taxi expenses	594	2,740
Repairs and maintenance	51	473
Computer expenses	999	1,060
Subscriptions	-	200
Sundry expenses	4	188
Allocation to direct charitable expenditure	238,489	154,676
	<u>254,246</u>	<u>187,967</u>

MOTIV8 SOUTH LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2004

6 Total resources expended (continued)

Other management and administration costs comprise:

Rent and room hire	85,771	87,625
Activities and events	33,777	6,246
Staff training and other	26,584	8,191
Staff travel and subsistence	6,565	3,731
Volunteer expenses	1,544	2,030
Volunteer training	3,071	562
Consultancy fees	4,343	13,782
Insurances	9,399	5,962
Telephone	8,255	6,408
Printing, postage, stationery and advertising	14,296	7,170
Coach, minibus and taxi expenses	7,331	4,205
Repairs and maintenance	378	4,175
Computer expenses	8,991	2,947
Subscriptions	2,041	1,621
Sundry expenses	2,245	1,145
Legal and professional	143	3,408
Audit and accountancy	9,310	9,068
Bank charges and interest	204	188
Business planning and development	23,898	-
Allocation to direct charitable expenditure	(238,489)	(154,676)
	<u>9,657</u>	<u>12,664</u>

Management and administration costs includes payments to the auditors of £2,250 (2003 - £2,200) for audit fees and £7,060 (2003 - £6,868) for other services.

The company's service agreement with Portsmouth City Council expired on 31 March 2003 and was then renewed for a further two year period ending 31 March 2005. Under this agreement the council has seconded staff, provided services and office accommodation. The accommodation has been quantified at £85,700 and included as income and corresponding expenditure.

7 Trustees

None of the trustees received any remuneration or expenses during the year (2003 - £Nil)

MOTIV8 SOUTH LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2004

8 Employees

Number of employees

The average monthly number of employees during the year was:

	2004 Number	2003 Number
Chief Executive	1	1
Direct Charitable Staff	18	19
	<u>19</u>	<u>20</u>

Employment costs

	2004 £	2003 £
Wages and salaries	<u>378,189</u>	<u>385,179</u>

There were no employees whose annual emoluments were £50,000 or more.

The Chief Executive has been supported by four Service/ Strategic Managers during the year.

9 Tangible fixed assets

	Computer equipment £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost				
At 1 April 2003	12,887	1,687	11,516	26,090
Additions	3,362	-	-	3,362
At 31 March 2004	<u>16,249</u>	<u>1,687</u>	<u>11,516</u>	<u>29,452</u>
Depreciation				
At 1 April 2003	11,581	1,686	11,514	24,781
Charge for the year	2,986	-	-	2,986
At 31 March 2004	<u>14,567</u>	<u>1,686</u>	<u>11,514</u>	<u>27,767</u>
Net book value				
At 31 March 2004	<u>1,682</u>	<u>1</u>	<u>2</u>	<u>1,685</u>
At 31 March 2003	<u>1,306</u>	<u>1</u>	<u>2</u>	<u>1,309</u>

MOTIV8 SOUTH LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2004

10 Debtors	2004 £	2003 £
Trade debtors	47,099	18,549
Grants receivable	-	26,111
Prepayments and accrued income	3,029	2,066
	<u>50,128</u>	<u>46,726</u>

11 Creditors: amounts falling due within one year	2004 £	2003 £
Trade creditors	8,789	19,343
Accruals	47,971	29,155
	<u>56,760</u>	<u>48,498</u>

Accruals includes deferred income of £24,222 in respect of projects where funding has been received in advance.

12 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2003	Movement in funds		Balance at 31 March 2004
	£	Incoming resources	Resources expended	£
Group Support Service	496	91,416	(90,487)	1,425
Pathways Service	533	70,464	(70,464)	533
	<u>1,029</u>	<u>161,880</u>	<u>(160,951)</u>	<u>1,958</u>

The Group Support Service works wholly or mainly in group settings with clients, including outdoor challenging activities and indoor work in educational and recreational group settings.

The Pathways Service provides access, involvement and monitoring to the charity and other agencies. It is client-focused, ensuring young people and parents are engaged, involved in service development. Pathways monitors their action plans and the impact of the charity's work on their offending behaviour and the risk factors related to offending.

MOTIV8 SOUTH LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2004

13 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds				Balance at 31 March 2004
	Balance at 1 April 2003	Incoming resources	Resources expended	Transfers	
	£	£	£	£	£
Minibus contribution	10,000	-	-	-	10,000
Business planning and rebranding	35,000	-	-	(35,000)	-
Organisation development	-	-	-	48,000	48,000
Programme closure costs	-	-	-	6,000	6,000
	<u>45,000</u>	<u>-</u>	<u>-</u>	<u>19,000</u>	<u>64,000</u>

A transfer of £35,000 has been made from designated funds to unrestricted funds to cover the cost of work undertaken during the year in relation to business planning and rebranding.

A transfer of £48,000 has been made from unrestricted funds to designated funds to cover organisation development costs.

A transfer of £6,000 has been made from unrestricted funds to designated funds to cover programme closure and redundancy costs.

14 Analysis of net assets between funds

	Unrestricted funds £	Designated funds £	Restricted funds £	Total £
Fund balances at 31 March 2004 are represented by:				
Tangible fixed assets	3	-	1,682	1,685
Current assets	106,545	64,000	14,462	185,007
Creditors: amounts falling due within one year	(42,574)	-	(14,186)	(56,760)
	<u>63,974</u>	<u>64,000</u>	<u>1,958</u>	<u>129,932</u>