

Charity Registration No. 1069085

Company Registration No. 03512607 (England and Wales)

MOTIV8 SOUTH LIMITED
TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2005



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MOTIV8 SOUTH LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mark Button - Chair Julia Priestley Ian Piper
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 2005

The trustees present their report and accounts for the year ended 31 March 2005.

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 2005 marked the end of another period of steady growth and development for Motiv8. *Whilst significant funding has now come to an end, we have been able to continue the key services and staff posts.* The most critical of these funds was the Single Regeneration Budget funding, but through managed planning of services and other fundraising Motiv8 has been able to ensure young people and staff have not noticed the changes.

The Behaviour Improvement Fund supported by GOSE and Connexions enabled individual services and education and employment services to young people to continue and indeed expand. Funding by Carnegie Trust and Portsmouth City Council has enabled the re-direction of consultation work with young people around crime and disorder to develop.

Overall there has been steady growth following the direction given by implementation of the Business Plan and Strategic Aims. New areas for development were set as Outdoor Education, Consultation with young people and Education Services. Motiv8 is pleased to report that all three areas have grown and developed during the year and are hopeful for future continued development. A new minibus was planned for last year and this was purchased in the new year and has had a big impact on facilitating groupwork and outdoor services.

Recruitment, training and involvement of volunteers has developed with funding from the Active Communities Unit. This enabled an already successful area of work to broaden its base both within the community and within the organisation.

The IT needs of the organisation were partially met during the year with a change of support contractor and some updating of equipment. This will remain, however, an area requiring ongoing attention and investment - not least the skills of staff members in using software packages and providing in house support expertise.

MOTIV8 SOUTH LIMITED

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2005

In the year ahead it is planned that a recognised quality assurance system will be adopted and the Board of Trustees will develop to meet the challenges facing Motiv8 and young people at risk in the future. A critical area for investigation is now the location of offices and service delivery. We anticipate further research and exploring of options to find the best way that Motiv8 can secure its long term future.

Trustees

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

Mark Button - Chair

Julia Priestley

Ian Piper

Deborah Tomes (Appointed 26 October 2004 and resigned 15 April 2005)

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 £930,796 (2004 - £661,869) and at 31 March 2005 carried forward funds of £315,008 (2004 - £129,932) of which £113,679 was unrestricted, £105,324 was designated and £96,005 was restricted.

During the year the board has spent £17,513 from funds previously designated and further designations have been made as set out in note 12.

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 months 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 eight 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 are constantly reviewed 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 cannot 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 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.

MOTIV8 SOUTH LIMITED

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2005

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



Trustee

Dated: 3 August 2005

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 2005 set out on pages 6 to 15. 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

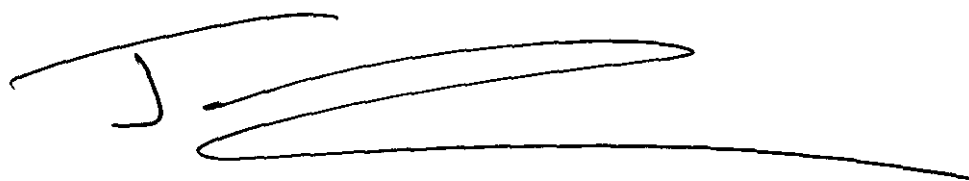
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements 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 2005 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: 3 August 2005



MOTIV8 SOUTH LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2005

	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2005 £	Total 2004 £
<u>Incoming resources</u>						
Activities in furtherance of the charity's objectives	2	651,283	-	257,357	908,640	653,246
Investment income	3	5,130	-	-	5,130	2,493
Other incoming resources	4	17,026	-	-	17,026	6,130
Total incoming resources		673,439	-	257,357	930,796	661,869
<u>Resources expended</u>						
Costs of generating funds						
Fundraising and publicity costs		-	10,000	-	10,000	-
		-	10,000	-	10,000	-
Net incoming resources available		673,439	(10,000)	257,357	920,796	661,869
Charitable expenditure						
Direct charitable expenditure		507,291	7,513	161,810	676,614	590,515
Management and administration		59,106	-	-	59,106	54,563
Total charitable expenditure		566,397	7,513	161,810	735,720	645,078
Total resources expended	5	566,397	17,513	161,810	745,720	645,078
Net incoming/(outgoing) resources before transfers		107,042	(17,513)	95,547	185,076	16,791
Transfers between funds		(57,337)	58,837	(1,500)	-	-
Net income for the year/ Net movement in funds		49,705	41,324	94,047	185,076	16,791
Fund balances at 1 April 2004		63,974	64,000	1,958	129,932	113,141
Fund balances at 31 March 2005		113,679	105,324	96,005	315,008	129,932

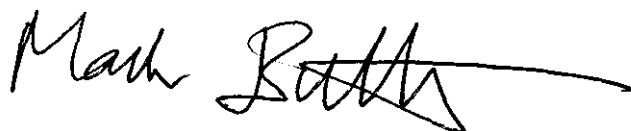
The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 1985.

MOTIV8 SOUTH LIMITED

BALANCE SHEET AS AT 31 MARCH 2005

	Notes	2005 £	£	2004 £	£
Fixed assets					
Tangible assets	8		17,824		1,685
Current assets					
Debtors	9	100,108		50,128	
Cash at bank and in hand		247,522		134,879	
		<u>347,630</u>		<u>185,007</u>	
Creditors: amounts falling due within one year	10	<u>(50,446)</u>		<u>(56,760)</u>	
Net current assets			<u>297,184</u>		<u>128,247</u>
Total assets less current liabilities			<u>315,008</u>		<u>129,932</u>
Income funds					
Restricted funds	11		96,005		1,958
Unrestricted funds:					
Designated funds	12		105,324		64,000
Other charitable funds			113,679		63,974
			<u>315,008</u>		<u>129,932</u>

The accounts were approved by the Board on 3 August 2005



Trustee

MOTIV8 SOUTH LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005

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.

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(50%), the finance manager'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 11 to the accounts.

1.7 Designated Funds

Designated funds have been set up to assist in identifying those funds which are not free funds. They represent amounts which have been put aside out of unrestricted funds at the discretion of the trustees. The purposes and uses of the designated funds are set out in note 12 to the accounts.

MOTIV8 SOUTH LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2005

1 Accounting Policies

(continued)

1.9 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 Activities in furtherance of the charity's objectives

	Unrestricted funds £	Restricted funds £	Total 2005 £	Total 2004 £
Service level agreements and grants	651,283	66,000	717,283	481,366
Government funding	-	191,357	191,357	171,880

3 Investment income

	2005 £	2004 £
Interest receivable	5,130	2,493

4 Other incoming resources

	2005 £	2004 £
Other income	17,026	6,130

MOTIV8 SOUTH LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2005

5 Total resources expended

	Staff costs £	Depreciation £	Other costs £	Total 2005 £	Total 2004 £
Costs of generating funds:					
Fundraising and publicity	10,000	-	-	10,000	-
Charitable expenditure:					
Direct charitable expenditure	446,368	8,506	221,740	676,614	590,515
Management and administration	47,642	-	11,464	59,106	54,563
	494,010	8,506	233,204	735,720	645,078
	504,010	8,506	233,204	745,720	645,078

Other costs relating to direct charitable expenditure comprise:

Unrestricted Funds

Rent and room hire	88,400	85,771
Activities and events	45,839	33,777
Staff training & other	16,891	26,584
Staff travel & subsistence	8,518	6,565
Volunteer expenses	2,470	1,544
Volunteer training	149	3,071
Consultancy fees	1,313	4,343
Insurance	5,579	9,399
Telephone	6,283	8,255
Printing, postage, stationery and advertising	11,946	14,296
Coach, minibus and taxi expenses	12,027	7,331
Repairs and maintenance	507	378
Computer expenses	3,838	8,991
Subscriptions	583	2,041
Miscellaneous expenses	(1,341)	2,245
Business planning and development	-	23,898
Management recharge	(14,000)	-

Restricted Funds

Activities and events	11,882	9,788
Staff training and other costs	1,656	1,933
Staff travel and subsistence	740	1,002
Volunteer expenses	110	7
Consultancy fees	510	-
Telephone	370	242
Printing, postage, stationery and advertising	1,139	1,137
Coach, minibus, and taxi expenses	2,090	594
Repairs and maintenance	-	51
Computer expenses	239	999
Miscellaneous expenses	2	4
Management charge	14,000	-
	221,740	254,246

MOTIV8 SOUTH LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2005

5 Total resources expended

(continued)

Other management and administration costs comprise:

Legal and professional	820	143
Audit and accountancy	10,412	9,310
Bank charges and interest	232	204
	11,464	9,657

Management and administration costs includes payments to the auditors of £2,350 (2004 - £2,250) for audit fees and £8,062 (2004 - £7,060) for other services.

The company has a service agreement with Portsmouth City Council under which the Council has seconded staff, provided services and office accommodation. The accommodation has been quantified at £88,400 and included as income and corresponding expenditure.

6 Trustees

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

7 Employees

Number of employees

The average monthly number of employees during the year was:

	2005 Number	2004 Number
Chief Executive	1	1
Direct Charitable Staff	24	19
	25	20

Employment costs

	2005 £	2004 £
Wages and salaries	504,010	378,189

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.

MOTIV8 SOUTH LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2005

8 Tangible fixed assets

	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 April 2004	16,249	1,687	11,516	29,452
Additions	2,655	-	21,992	24,647
Disposals	-	-	(11,516)	(11,516)
At 31 March 2005	18,904	1,687	21,992	42,583
Depreciation				
At 1 April 2004	14,567	1,686	11,514	27,767
On disposals	-	-	(11,514)	(11,514)
Charge for the year	3,008	-	5,498	8,506
At 31 March 2005	17,575	1,686	5,498	24,759
Net book value				
At 31 March 2005	1,329	1	16,494	17,824
At 31 March 2004	1,682	1	2	1,685

9 Debtors

	2005 £	2004 £
Trade debtors	98,322	47,099
Prepayments and accrued income	1,786	3,029
	100,108	50,128

10 Creditors: amounts falling due within one year

	2005 £	2004 £
Trade creditors	4,847	8,789
Accruals	45,599	47,971
	50,446	56,760

Accruals includes deferred income of £17,900 (2004 £24,222) in respect of projects where funding has been received in advance.

MOTIV8 SOUTH LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2005

11 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:

	Movement in funds				
	Balance at 1 April 2004	Incoming resources	Resources expended	Transfers	Balance at 31 March 2005
	£	£	£	£	£
Group support service	1,425	80,000	(81,425)	-	-
Pathways	533	72,580	(73,113)	-	-
Active communities	-	38,777	(4,772)	-	34,005
Rank foundation	-	60,000	(2,500)	-	57,500
Minibus grant	-	6,000	-	(1,500)	4,500
	<u>1,958</u>	<u>257,357</u>	<u>(161,810)</u>	<u>(1,500)</u>	<u>96,005</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.

Pathways is the department that co-ordinates and supports Motiv8's volunteer programme, consultation with young people and one to one employment and training support.

The Active communities grant funds the volunteer mentoring project.

The Rank Foundation is funding a co-ordinator post and associated activities for the A:3 Project in partnership with the Police and The Children's Fund.

The Connexions grant assisted in the purchase of the new minibus, an amount is transferred to unrestricted funds equivalent to the depreciation charged each year.

MOTIV8 SOUTH LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2005

12 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 2005
	Balance at 1 April 2004	Incoming resources	Resources expended	Transfers	
	£	£	£	£	£
Fixed assets	10,000	-	-	3,324	13,324
Organisation development	48,000	-	(15,000)	(13,000)	20,000
Programme closure costs	6,000	-	(2,513)	2,513	6,000
Premises	-	-	-	20,000	20,000
Fundraising	-	-	-	20,000	20,000
Service evaluation	-	-	-	20,000	20,000
Information technology	-	-	-	6,000	6,000
	<u>64,000</u>	<u>-</u>	<u>(17,513)</u>	<u>58,837</u>	<u>105,324</u>

The Fixed asset fund is an amount equivalent to the net book value of fixed assets at the balance sheet date.

The Organisation development fund of £20,000 is for external consultation and expertise to support the development and planning for Motiv8's future. During the year staff posts were re-evaluated, posts were upgraded and responsibilities added. This exercise was financed by funding obtained elsewhere and by £5,000 from this designated fund. A further £10,000 was used to finance a fundraiser employed from October 2004 to work on taking fundraising forward, the fundraiser was employed by Motiv8 in partnership with the Beneficial Foundation and the Education Business Partnership.

The Programme closure costs fund is designated to cover potential redundancy and programme closure costs. Whilst Motiv8 would always seek to ensure that funders recognise the redundancy implications of programme closures, in the event of this not happening it is prudent for management to ensure that the charity has sufficient funds to pay for this liability.

A Premises fund has been designated to investigate new premises including building, feasibility and design costs.

A separate fund has been designated to continue the development of a successful fundraising strategy.

An external evaluation of Motiv8's services is required and funds have accordingly been designated for this purpose.

The Information technology fund is for the maintenance and improvement of the computer system and is intended to cover both hardware and software costs.

MOTIV8 SOUTH LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2005

13 Analysis of net assets between funds

	Unrestricted funds £	Designated funds £	Restricted funds £	Total £
Fund balances at 31 March 2005 are represented by:				
Tangible fixed assets	-	13,324	4,500	17,824
Current assets	164,125	92,000	91,505	347,630
Creditors: amounts falling due within one year	(50,446)	-	-	(50,446)
	<u>113,679</u>	<u>105,324</u>	<u>96,005</u>	<u>315,008</u>