

Charity Registration No. 1069085

Company Registration No 03512607 (England and Wales)

**MOTIV8 SOUTH LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

TRUSTEES' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2011

WEDNESDAY



A00570LE

A10

14/12/2011

#145

COMPANIES HOUSE

MOTIV8 SOUTH LIMITED
(A COMPANY LIMITED BY GUARANTEE)

CONTENTS

	Page
Legal and administrative information	1
Trustees' report	2 – 10
Independent auditors' report	11 – 12
Statement of financial activities	13
Balance sheet	14
Notes to the accounts	15 – 23

MOTIV8 SOUTH LIMITED
(A COMPANY LIMITED BY GUARANTEE)

LEGAL AND ADMINISTRATIVE INFORMATION

REGISTERED COMPANY NUMBER:	03512607	
REGISTERED CHARITY NUMBER:	1069085	
BOARD OF TRUSTEES:	Dr Mark Button – Chair Simon Walton Colin Thorpe Amy Ford (left July 2010)	Julia Hughes Ric Carey Richard Mitchell Derek Dunn (left Oct 2010)
Observers	Councillor Andy Fraser	
FINANCE SUB COMMITTEE:	Ric Carey – Chair Mark Button Colin Thorpe	
Officers in attendance:	Charlie Adie Kathryn Brewer/Colyn Robinson	
COMPANY SECRETARY:	Charlie Adie	
CHIEF EXECUTIVE:	Charlie Adie	
REGISTERED OFFICE	6 Queen Street Portsmouth PO1 3HL	
PRINCIPAL ADDRESS	6 Queen Street Portsmouth PO1 3HL	
BANKERS	Co-operative Bank 46/48 Arundel Street Portsmouth Hampshire PO1 1TD	CAF Gold Fund Kings Hill West Malling Kent ME19 4TA
SOLICITORS:	Blake Lapthorn Harbour Court North Harbour Portsmouth PO6 4ST	
AUDITORS	Jones Avens 53 Kent Road Southsea Hampshire PO5 3HU	

MOTIV8 SOUTH LIMITED

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2011

The trustees, who are also directors of the charity for the purposes of the Companies Act, submit their annual report and the audited financial statements for the year ended 31 March 2011. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005 in preparing the annual report and financial statements of the charity which comply with statutory requirements and the governing document.

REFERENCE AND ADMINISTRATIVE INFORMATION

Refer to page 1

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

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

Trustees

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

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

Dr Mark Button – Chair of Board
Julia Hughes – Chair of HR sub-group
Richard Mitchell – Chair of Service Delivery and Development sub-group
Ric Carey – Chair of Finance sub-group and Vice Chair of Board
Simon Walton
Colin Thorpe
Amy Ford (left July 2010)
Derek Dunn (joined April 2010, left October 2010)

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.

In addition there is an observer who is able to attend Board meetings, but is not a trustee.

Councillor Andy Fraser

The Board has served the organisation through a changing political and financial period. The trustees have provided continuity and stability in governance, as well as both challenge and support to officers of the organisation.

The Board may continue to seek to invite new trustees or observers to attend Board meetings as is felt necessary to provide diversity in membership and knowledge in subject matter. Training and induction into all aspects of Motiv8 continues to be delivered to new Trustees and is available to all.

The Board maintains a structure of sub-groups preceding each full Board meeting, these allow for the subject matter to be reviewed and scrutinised in detail. The chair of each sub-group, or their designate, then provides feedback and brings recommendations to quarterly full Board meetings. The three sub-groups of the Board have continued to meet throughout the year covering

- Finance
- Human Resources
- Service Delivery and Development

MOTIV8 SOUTH LIMITED

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2011

STRUCTURE, GOVERNANCE AND MANAGEMENT (Continued)

Trustees (continued)

In addition the Board meet to review their strategic effectiveness and discuss issues relating to the overall governance of Motiv8. This meeting is held without officers present, and happens typically once per year. The chair of trustees feeds back to the Chief Executive and an appropriate action plan is drawn up which is then monitored at subsequent full Board meetings.

Risk Management

Motiv8 continues to build on the effectiveness of the Risk Mapping process that was established in 2007. The Board takes the lead in considering risk in line with Charity Commission guidance under five headings:

- 1 Governance and Management
- 2 Operational Risk
- 3 Financial Risk
- 4 Environmental and External factors
- 5 Compliance Risk

The Finance sub-group takes the lead role within this activity and significant work was undertaken to expand on the narrative that accompanies the risk scoring for each item. This is subject to on-going review and has resulted in a number of items having their scores adjusted and also clarity as to which items are reviewed as a routine part of the Board annual meeting cycle.

Motiv8 continues to maintain a comprehensive Policy and Procedure Manual which was last subject to a major update in early 2010, the next refresh is due in summer 2011.

Motiv8 officers continue to manage risk on a day-to-day basis through the close working relationships of the Management Team plus a series of routine meetings covering Operations, Finance, Fundraising, IT, Administration, Health and Safety, HR, Quality and Marketing, these in turn feed into the quarterly sub-groups of the Board and then full Board meetings. Each area of activity is reported to the Board quarterly through a Red/Amber/Green scorecard style report.

Having assessed and categorised risk to which the charity is exposed the Trustees are satisfied that systems are in place to mitigate exposure to major risks within a framework of regular monitoring and reporting to provide evidence of the continued effectiveness of those systems.

OBJECTIVES AND ACTIVITIES

Charitable objects

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'.

Charity's aims

Motiv8 seeks to achieve the charity's objects primarily through direct service provision to young people aged 13-19 who have been targeted as being most at risk of offending, anti-social behaviour or disengagement from learning. Typically targeting is done either via multi-agency referral or by the commissioning agency.

Motiv8 delivers its core services through Community Based Teams and the work is based on research and evidence to bring about lasting impact and reduced levels of crime. Over the past twelve months service delivery in partnership with schools has increased and this has been identified as an area for further growth.

At all times Motiv8 aims to be a leader and an innovator in its field as well as partner of choice.

MOTIV8 SOUTH LIMITED

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2011

OBJECTIVES AND ACTIVITIES (Continued)

Charity's strategic objectives for the year

The Trustees oversaw the development and subsequent approval of the Motiv8 Integrated Business Plan 2010 – 2013 which included all of the financial year period 2010/11. The key strategic objectives are

- 1 Consolidate existing core delivery
- 2 Expand core delivery to at least one new geographical area
- 3 Develop new provision complementary to core delivery
- 4 Be recognised as a partner of choice
- 5 Have robust infrastructure, business systems and resources
- 6 Be sustainable

Public Benefit

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our Objects, Aims and Objectives and in planning future Activities. In particular, the trustees consider how planned Activities will contribute to the Aims and Objectives set

Principal activities

The twelve months up to 31 March 2011 built on the work of the previous 12 months reported in the Annual Report 2009/10, i.e. it has been a two year programme of activities. There have been two specific areas of focus over the past 12 months

- 1 Ensuring that Motiv8's core business delivered through Community Based Teams remained robust in its effectiveness and sustainable through a period of political and economic change
- 2 Developing programmes that address the need to reduce disengagement with learning and embed these as core business alongside the Community Based Teams

In order to deliver the above staff from the Motiv8 Outdoors team, which previously existed as a distinct part of the overall organisation, were embedded into the Community Based Teams. In addition the direct line management of Community Based Teams was aligned to Service Managers, with one appointed to cover the local authority area of Hampshire and a second to cover Portsmouth.

The outcome of this has been a clear **organisation structure** with the following components

- **Team Hampshire** consisting of 2 Community Based Teams in Gosport and Havant
- **Team Portsmouth** consisting of 4 Community Based Teams based in the North, Centre and two in the South of the city
- **Delivery Support** providing all the non-front line aspects of operations PLUS leading on volunteer led front line delivery
- **Special Projects** front line delivery that does not fit the above
- **Infrastructure** providing all back office functions e.g. HR, Finance, IT, Admin, Publicity

The organisation is made up of paid staff, volunteers, students on placement and apprentices, all of whom have contributed to the on-going delivery of positive outcomes for young people. The trustees would like to thank all of the staff and particularly volunteers who contribute so much to the work of the charity through what has been a demanding year due to the significant political and economic changes but it has also been a very successful year with the numbers of young people entering the criminal justice system for the first time being at an all-time low in the areas where Motiv8 works.

MOTIV8 SOUTH LIMITED

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2011

OBJECTIVES AND ACTIVITIES (Continued)

Principal activities (continued)

Delivery is now spoken of as **Products**, rather than projects, with each teams able to offer one or more products. For 2010/11 the Products offered have been

- **Youth Inclusion Programme (YIP):** a referral based programme delivered in priority neighbourhoods based on the proven Youth Justice Board model of delivery which has been subject to extensive research and evaluation
- **Step Up:** National Open College Network (NOCN) registered and accredited programme of Personal and Social Development allowing significant personalisation and delivered in school
- **Challenge & Adventure:** targeted small group activity programme aimed around physical activities used for Personal and Social Development
- **Appropriate Adult service:** supporting young people in Police custody when a significant adult is unable to attend
- **Integrated Resettlement Support (IRS):** providing intensive support for young people leaving a young offender institution and returning home to South East Hampshire
- **Youth Action:** giving young people a voice and then turning their ideas into action to improve their own local community

Alongside all of the above the active participation and involvement of young people remains paramount for successful delivery

Motiv8's Values

These remain as

- At the heart of our work is building positive relationships and trust with our young people and their parents or carers
- We aim to provide consistent provision knowing that our young people value this
- We work in partnership to develop and deliver services, through consultation and the active participation of young people, other organisations and the local community
- We strive for excellence in all aspects of our work and seek continuous improvement by reviewing our services and committing resources to innovation
- We aim to be a high quality employer that supports and invests in all of our people, including our volunteers

ACHIEVEMENTS AND PERFORMANCE

Before going into the detail of progress against the 6 Strategic Objectives, it is worth noting that 2010/11 has seen the biggest drop of First Time Entrants to the youth criminal justice system in the areas where Motiv8 works since this measure was used as prime indicator of youth crime. In the case of Portsmouth, where over 65% of Motiv8's YIP work has been focused during the year, the drop was a significant decrease from 317 young people in 2009/10 to 128 in 2010/11 i.e. 189 less young people have received a criminal record which is known to reduce future life chances.

Impact at this level is due to multi-agency commitment to tackling long term issues, and Motiv8 has been an integral part of that partnership working in all its areas of delivery. During the year Motiv8 took a leading role among local and regional voluntary sector providers on both the Children's Trust arrangements and the Crime and Disorder Reduction Partnerships for both Hampshire and Portsmouth.

Performance has been strong across the organisation. Specific teams have been subject to independent inspection either in their own right or as part of wider inspection regimes, and received good or outstanding outcomes.

MOTIV8 SOUTH LIMITED

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2011

ACHIEVEMENTS AND PERFORMANCE (Continued)

Detailed below is progress against the 6 Strategic Objectives

1 Consolidate existing core delivery

Community Based Teams delivering YIP have become Motiv8's core delivery over the past 2 years. Evidence of progress and recognition that it adds value is the inclusion of Motiv8 YIP's within the future plans for both Portsmouth and Hampshire as to how services are delivered to vulnerable or 'at risk' young people. Whilst YIP was the activity which most resources went on within the Community Based Team, each team developed programmes of Challenge & Adventure and Youth Action during the period. Specific teams won regional awards for their Youth Action work, including Motiv8 Gosport winning a DVD competition for the film created of their project, and Motiv8 Havant receiving continuation funding from Havant Borough Council through a process of participatory budgeting.

2 Expand core delivery to at least one new geographical area

In spring 2009 Motiv8 Havant started delivering services within the Leigh Park area of Havant, and at this time was operating out of a church vestry. In January 2011, after 18 months of positive delivery during which time the team built a strong reputation they moved into a purpose built youth venue as part of a larger community hub. Motiv8 has secured funding for Motiv8 Havant until at least December 2013, as such its long term sustainability looks bright. Services to schools have been delivered in the Borough of Fareham during 2010/11, and Motiv8 continues to explore developing new Community Based Teams within Hampshire.

3 Develop new provision complementary to core delivery

In September 2010, at the start of the academic year, Motiv8 began to deliver the NOCN programme of Personal and Social Development called Step Up. This is a structured year long programme delivering accredited outcomes for a targeted group of 10-12 young people as part of the school day. The programme has been well received by the school, evidenced by a renewed 2 year contract. More significantly young people's attendance has been over 85% with some achieving 100% for the full year programme and all gained qualifications, plus parental support has increased from 1 family attending the start event to 7 families attending the end of year event. For 2010/11 Motiv8 plans to deliver Step Up type programmes with 6 different schools and firmly establish our Education Programmes as part of the core offer delivered by the Community Based Team.

4 Be recognised as a partner of choice

Partnership within Motiv8 operates on a wide range of levels

- key to successful front delivery is receiving referrals, having partners that work alongside the core offer from Motiv8 and creating progression destinations; in all these areas Motiv8 is part of a wider solution that depends on close partnership
- being commissioned to deliver services, an area where with the recent central government cuts, Motiv8 has seen an increase which allows for the continuation of services
- involved in the strategic and operational leadership of both Children's Trust arrangements and Community Safety Partnerships. Motiv8 has seats on the Safer Portsmouth Partnership, Portsmouth Children's Trust Board, Hampshire Crime Reduction Partnership, Hampshire Children's Trust Board, Gosport Local Children's Partnership, Safer Havant Partnership and various sub-groups of the above
- Motiv8 has taken a lead in supporting the voluntary sector and social enterprise in the region. CEO of Motiv8 is vice-chair of the Hampshire Alliance, on the steering group of the Portsmouth Alliance and active in Social Enterprise Clusters, and is asked to present at conferences and events
- in January 2011 Motiv8 signed a formal agreement with national youth charity Catch22 in order to strengthen reach and delivery, plus Motiv8 was awarded a major sub-contract from Barnado's

MOTIV8 SOUTH LIMITED

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2011

ACHIEVEMENTS AND PERFORMANCE (Continued)

5 Have robust infrastructure, business systems and resources

Motiv8 has continued to invest in resources to support front line delivery. During 2010/11 we went from owning one minibus to four, so that there is one accessible to each Community Based Team. Premises have been a major focus, mentioned above is the move of Motiv8 Havant to purpose built venue. In Gosport after long negotiations Motiv8 has secured the freehold of an ex Gosport Borough Council building which will open as a youth venue in August 2011. Other venues have continued to be developed to create a good environment for young people to both socialise and learn. Motiv8 continues to maintain comprehensive systems and processes for monitoring and continuously improving business efficiency and effectiveness. During 2010/11 all core staff were upgraded to Windows 7 and MS Office 2010, plus each venue got its own server. This is an area for continuous improvement and it is expected that Motiv8 will have a Sharepoint based intranet operational in 2011.

6 Be sustainable

Motiv8 had secured the majority of its income coming into 2010/11, however in-year cuts due to the change in government did have the impact of necessitating co-locating 2 previously separate teams and in time reducing capacity. Most of the year was spent focused on how to handle the expected very significant cuts in 2011/12, and at the start of the new financial year the outlook was very uncertain. By the end of the first quarter of 2011/12 things look very different with schools delivery and work with NEET young people being the main new additions set against greater efficiency in overall operating costs. Long term Motiv8 continues to develop ideas around social enterprise as a vehicle to creating self-sufficiency plus significant levels of youth employment. In addition Motiv8 is actively exploring wider public service delivery through the commissioning by local authorities of their youth provision.

The core of Motiv8's work remains the desire to improve outcomes for young people, especially those that are most vulnerable. Some of the highlights of the year 2010/11 are

- 60% reduction in youth crime in Portsmouth, measured using the number of young people who became First Time Entrants to the criminal justice system (2010/11=128, down from 2009/10=317)
- Motiv8 provided targeted one-to-one support to over 350 young people
- Based on evaluation feedback from young people (308 responses)
 - 100% felt that Motiv8 programmes were good or excellent
 - 80% of young people said that things had improved at school since starting with Motiv8
- Motiv8 volunteers supported 325 young people in Police custody
- 217 young people completed a recognised accredited qualification as part of a Motiv8 programme
- 87 young people volunteered within their own community
- 25 out of 42 paid staff achieved a nationally recognised qualification supported by Motiv8
- Despite major financial cuts, Motiv8 delivered a strong financial performance and secured new income for 2011/12

FINANCIAL REVIEW

Financial review

The Statement of Financial Activities for the year ended 31 March 2011 is set out on page 13 of the financial statements. A summary of the financial results and the work of the charity is set out below.

There were incoming resources of £1,237,003 for the year ended 31 March 2011, of which £728,912 was on unrestricted funds and £508,811 was restricted. There was a surplus before transfers of £38,623 compared to a surplus of £31,264 for the previous year.

MOTIV8 SOUTH LIMITED

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2011

FINANCIAL REVIEW (Continued)

Reserves policy

This was subject to major update in 2009/10 and continues to be reviewed annually, it reads

Policy

It is the policy of MOTIV8 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. These reserve funds could be put to one or more of the following purposes:

- *Short-term tactical reserves*
- *Opportunistic reserves*
- *Long-term reserves used to reduce risk*

Procedure

The first level of reserves is held for short-term tactical reasons. The charity keeps a minimum of two months' worth of expenditure to cover any short term setbacks in funding or cash flow difficulties. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in one or more funding sources, they will be able to continue the charity's core current activities while consideration is given to ways in which additional funds may be raised or specific activity brought to a controlled close.

Second are 'opportunistic reserves', set aside to enable the charity to evolve and take advantage of strategic development opportunities. This could be to cover up to 30% expenditure of a new activity backed by a full business plan showing full recovery in 3 years.

A third, long term reserves level is intended to reduce risks posed by large external changes in the environment in which the charity operates. This could include political changes, fall in stock market values or a major decline in donors' empathy to the cause. These risks, if realised would dramatically affect the charity's funding streams.

In parallel, the charity ensures that if reserves are called upon, they can be replenished.

At 31st March 2011 funds totalling £325,947 have been designated by the trustees in respect of funds represented by fixed assets, planned future development and contingency costs, more information on these designations is given in note 14 to the accounts.

Funding

The trustees wish to acknowledge the support of the following organisations, without whom the charity would be unable to operate

- Department for Education (formerly the Department for Children Schools and Families)
 - Youth Sector Development Fund (YSDF)
- Youth Justice Board / Wessex Youth Offending Team
 - Youth Inclusion Programme (YIP)
 - Integrated Resettlement Support (IRS)
- Portsmouth City Council
 - Community Safety
 - Social Care within Children's Services (C3)
 - Extended Schools Disadvantaged Subsidy (ESDS)
 - Youth Crime Action Plan (including Alcohol Related partnership)
 - Area Based Grant (Early Intervention Fund & Positive Activities for Young People)
 - Hand in Hand Intergenerational Fund
 - Youth Opportunity Fund

MOTIV8 SOUTH LIMITED
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2011

FINANCIAL REVIEW (Continued)

Funding (continued)

- Hampshire County Council
 - Area Based Grant (Positive Activities for Young People)
 - Children's Services Integrated (CSI) Grant to Voluntary Sector
 - County Council Grant
 - Youth Opportunity Fund
- Gosport Borough Council
 - Community Safety (Acceptable Behaviour Contracts)
 - Community Grant
 - Gosport Local Children's Partnership
 - Mayor of Gosport
- Gosport Partnership
 - Community Cohesion Grant
- Havant Borough Council
 - Community Safety (Youth Delivery and Alcohol Reduction Work)
- Wessex Youth Offending Team / Catch22
 - Appropriate Adult service
- Charitable Trust and Foundations
 - The Rank Foundation
 - Lloyds TSB Foundation
 - J Paul Getty Charitable Trust
 - Beatrice Lang Foundation
 - De La Rue Trust
 - Henry Smith Charitable Trust
 - Rotary Club (Portsmouth and Southsea)
- The Big Lottery
 - Community Spaces Challenge (via Catch22)
- Schools and Colleges
 - Quayside Pupil Referral Unit, Gosport
 - Emotionally Vulnerable Unit, Fareham
 - Brune Park Community College, Gosport
 - St Edmund Roman Catholic Secondary School, Portsmouth
 - Charter Academy, Portsmouth
- Wheatsheaf Trust
- University of Portsmouth

Asset cover for funds

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

Future plans

Motiv8 published a 3 year Integrated Business Plan 2010-2013 in July 2010. There are six strategic objectives identified to take the organisation forward in delivering its Objects, Aims and Objectives over the next three years, these are

- 1 Consolidate existing core delivery
- 2 Expand core delivery to at least one new geographical area
- 3 Develop new provision complementary to core delivery
- 4 Be recognised as a partner of choice
- 5 Have robust infrastructure, business systems and resources
- 6 Be sustainable

MOTIV8 SOUTH LIMITED
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2011

CHANGES IN FIXED ASSETS

The movements in fixed assets in the year are set out in note 10 to the financial statements

STATEMENT OF TRUSTEES' RESPONSIBILITIES

Company and charity law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for that period

In preparing those financial statements, the trustees have

- selected suitable accounting policies and then applied them consistently,
- made judgements and estimates that are reasonable and prudent,
- stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepared the financial statements on the going concern basis

The trustees have overall responsibility for ensuring that the charity has an appropriate system of controls, financial and otherwise. They are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 1985. 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 and to provide reasonable assurance that

- the charity is operating efficiently and effectively,
- its assets are safeguarded against unauthorised use or disposition,
- proper records are maintained and financial information used within the charity or for publication is reliable,
- the charity complies with relevant laws and regulations

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information

AUDITORS

A resolution proposing that Jones Avens be re-appointed as auditors of the charity will be put to the annual general meeting

Approved by the board of trustees on 6 September 2011 and signed on their behalf



TRUSTEE - DR MARK BUTTON

Date 6 September 2011

MOTIV8 SOUTH LIMITED
(A COMPANY LIMITED BY GUARANTEE)

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 2011 set out on pages 12 to 23. These accounts have been prepared under the accounting policies set out on page 15 and 16.

This report is made solely to the company's members, as a body, in accordance with Section 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company'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 charitable company and its members 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 10 the trustees, who are also the directors of Motiv8 South Limited for the purpose of company law, are responsible for the preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for satisfying themselves that the charity's accounts give a true and fair view.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the accounts have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, have been prepared in accordance with the Companies Act 2006 and give a true and fair view. We also report to you whether in our opinion the information given in the Trustees' Report is consistent with the accounts.

In addition we report to you if, the charity has not kept adequate accounting records, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' benefits, remuneration, pensions and compensation for loss of office specified by law are not made.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 charity's circumstances.

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 that 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.

MOTIV8 SOUTH LIMITED
(A COMPANY LIMITED BY GUARANTEE)

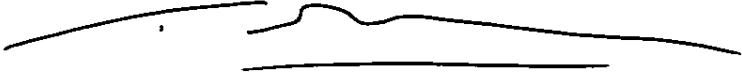
INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MOTIV8 SOUTH LIMITED

Opinion

In our opinion

- the accounts give a true and fair view of the state of the charity's affairs as at 31 March 2011 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended,
- the accounts have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- the accounts have been prepared in accordance with the Companies Act 2006, and
- the information given in the Trustees' Report is consistent with the accounts



TIMOTHY MILLETT ACA
For and on behalf of Jones Avens
Chartered Accountants
Statutory Auditor
53 Kent Road
Southsea
Hampshire
PO5 3HU

Dated 6 September 2011

MOTIV8 SOUTH LIMITED
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2011

	Notes	Unrestricted Funds £	Designated funds £	Restricted funds £	Total 2011 £	Total 2010 £
<u>Incoming Resources</u>						
Incoming Resources from Generated Funds						
Donations and Legacies	2	73,048	-	-	73,048	139,300
Investment income	4	3,569	-	-	3,569	1,326
		76,617	-	-	76,617	140,626
Incoming Resources from Charitable Activities	3	625,108	-	508,811	1,133,919	1,116,959
Other Incoming Resources	5	26,467	-	-	26,467	21,441
TOTAL INCOMING RESOURCES		728,192	-	508,811	1,237,003	1,279,026
<u>Resources Expended</u>						
Costs of Generating Funds						
Fundraising and Publicity Costs	6	33,984	-	-	33,984	30,567
Charitable Activities						
Provision of Services for Young People	6	667,568	-	487,983	1,155,551	1,209,261
Governance Costs	7	8,845	-	-	8,845	7,934
Total Resources Expended		710,397	-	487,983	1,198,380	1,247,762
Net Incoming						
Resources before Transfers		17,795	-	20,828	38,623	31,264
Gross Transfers between Funds		(158,753)	167,753	(9,000)	-	-
Net Income/(Expenditure) for the year/ Net movement in funds		(140,958)	167,753	11,828	38,623	31,264
Fund Balances at 1 April 2010		245,237	158,194	11,063	414,494	383,230
Fund Balances at 31 March 2011		104,279	325,947	22,891	453,117	414,494

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006

All transactions are derived from continuing activities

All recognised gains and losses are included in the statement of financial activities

The notes form part of these financial statements

MOTIV8 SOUTH LIMITED
(A COMPANY LIMITED BY GUARANTEE)

BALANCE SHEET
AS AT 31 MARCH 2011

	Notes	£	2011 £	£	2010 £
Fixed assets					
Tangible assets	10		37,947		16,694
Current assets					
Debtors	11	91,097		36,773	
Cash at bank and in hand		390,296		430,188	
			481,393	466,961	
Creditors amounts falling due within one year	12	(66,223)		(69,161)	
Net current assets			415,170		397,800
Total assets less current liabilities			453,117		414,494
Income funds					
Restricted funds	13		22,891		11,063
Unrestricted funds					
Designated funds	14		325,947		158,194
Other charitable funds			104,279		245,237
			453,117		414,494

The accounts were approved by the Board on 6 September 2011

Signed on behalf of the Board of Trustees



DR MARK BUTTON

The notes form part of these financial statements

MOTIV8 SOUTH LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

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 2005) issued in March 2005, 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 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

Resources expended include irrecoverable VAT, are accounted for on an accruals basis, classified under appropriate headings and apportioned where necessary

Direct charitable expenditure

This includes all expenditure directly related to the objects of the charity

Governance costs

Governance costs include those included in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements

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

Freehold & Buildings	2% straight line
Computer	50% straight line
Fixtures, fittings and equipment	20 - 50% straight line
Motor vehicles	20 - 50% straight line
Outdoor	25 - 50% 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 13 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 14 to the accounts

MOTIV8 SOUTH LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2011

1 Accounting policies (Continued)

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 2011 £	Total 2010 £
Grants receivable for core activities	73,048	139,300

3 Incoming resources from charitable activities

	Unrestricted Funds £	Restricted funds £	Total 2011 £	Total 2010 £
Service level agreements and grants	625,108	508,811	1,133,919	1,116,959

Included within income relating to service level agreements and grants are the following grants

	2011 £	2010 £
Portsmouth City Council	309,493	242,866
Wessex Youth Offending Team/Catch 22 (AA)	42,644	44,010
Wessex Youth Offending Team		
Integrated Resettlement Support	56,458	15,444
Youth Justice Board/Wessex Youth Offending Team	84,000	84,000
The Rank Foundation	30,000	35,000
Nationwide Foundation	-	61,082
YSDF	318,978	388,521
Other	292,346	246,036
	1,133,919	1,116,959

MOTIV8 SOUTH LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2011

4 Investment Income

	2011 £	2010 £
Interest receivable	3,569	1,326

5 Other incoming resources

	2011 £	2010 £
Other income	26,467	21,441

6 Total resources expended

	Staff Costs £	Depreciation £	Other Costs £	Total 2011 £	Total 2010 £
Cost of generating funds					
Fundraising and publicity costs	30,027	-	3,957	33,984	30,567
Charitable activities					
Provision of services for young people	840,743	28,436	286,372	1,155,551	1,209,261
Governance costs	-	-	8,845	8,845	7,934
	870,770	28,436	299,174	1,198,380	1,247,762

Governance costs includes payments to the auditors of £3840 (2010 £3,760) for audit fees and £3,154 (2010 £1,563) for other services

The company has a service agreement with Portsmouth City Council under which the Council had provided services and office accommodation. The accommodation has been quantified at £52,598 and included as income and corresponding expenditure

	2011 £	2010 £
Charitable activities other costs comprise		
Other staff and volunteer costs	30,037	31,300
Activity and event costs	80,251	71,703
Rent and room hire	83,484	114,205
Other expenses	92,600	94,029
	286,372	311,237

MOTIV8 SOUTH LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2011

7 Governance costs

	2011	2010
	£	£
Directors and Officers Indemnity Insurance	798	798
Legal and professional	631	1,353
Audit and accountancy	6,994	5,323
Bank charges and interest	422	460
	<u>8,845</u>	<u>7,934</u>

8 Trustees

None of the trustees received any remuneration or expenses during the year (2010 - £Nil)

9 Employees

Number of employees

The average number of full time employees during the year was

	2011	2010
	Number	Number
Chief Executive	1	1
Direct Charitable Staff	43	42
	<u>44</u>	<u>43</u>

	2011	2010
	£	£
Employment costs		
Wages and salaries	793,234	829,547
Social security costs	71,701	73,841
Pension	5,835	3,757
	<u>870,770</u>	<u>907,145</u>

MOTIV8 SOUTH LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2011

10 Tangible fixed assets

	Land & Buildings	Computer Equipment	Fixtures, fittings & Equipment	Motor vehicles	Total
		£	£	£	£
Cost					
At 1 April 2010	-	48,475	27,256	23,992	99,723
Additions	13,561	14,404	8,310	13,414	49,689
At 31 March 2011	13,561	62,879	35,566	37,406	149,412
Depreciation					
At 1 April 2010	-	40,952	19,085	22,992	83,029
Charge for the year	-	14,725	6,004	7,707	28,436
At 31 March 2011	-	55,677	25,089	30,699	111,465
Net book value					
At 31 March 2011	13,561	7,202	10,477	6,707	37,947
At 31 March 2010	-	7,523	8,171	1,000	16,694

11 Debtors

	2011 £	2010 £
Trade debtors	40,931	12,066
Prepayments and accrued income	50,166	24,707
	91,097	36,773

12 Creditors: amounts falling due within one year

	2011 £	2010 £
Trade creditors	16,141	11,995
Accruals	30,230	36,270
Other tax and social security	19,852	20,896
	66,223	69,161

Accruals includes deferred income of £5,000 (2010 £25,666) in respect of projects where funding has been received in advance of the following year

MOTIV8 SOUTH LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2011

13 Restricted funds

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

	Balance at	Movement in funds			Balance at
	1 April 2010	Incoming resources	Resources expended	Transfers	31 March 2011
	£	£	£	£	£
Wessex YOT/Youth Justice Board	-	84,000	(84,000)	-	-
Big Lottery/Crime Concern	1,049	27,319	(28,368)	-	-
Lloyds TSB Foundation	10,014	13,628	(13,421)	-	10,221
YSDF	-	318,978	(318,978)	-	-
Young Money	-	7,470	(7,470)	-	-
Mayor of Gosport Charity Appeal	-	4,500	(4,500)	-	-
Gosport Partnership Community Cohesion Fund	-	10,670	-	-	10,670
Musical Motivation Project	-	1,080	(1,080)	-	-
Catch 22 Charity	-	890	(890)	-	-
De La Rue	-	1,500	(1,500)	-	-
Rotary Club	-	5,000	(5,000)	-	-
Beatrice Laing Trust	-	2,000	-	-	2,000
J Paul Getty Charitable Trust	-	22,153	(22,153)	-	-
Henry Smith Charity	-	9,000	-	(9,000)	-
Other	-	623	(623)	-	-
	11,063	508,811	(487,983)	(9,000)	22,891

The Wessex YOT/Youth Justice Board works wholly or mainly in group settings with clients, including outdoor challenging activities and indoor work in educational and recreational group settings

The Big Lottery Fund Grant from Crime Concern is to enhance the activities of the Youth Inclusion Programme to develop community spaces. A further £10,000 was awarded in the year

Lloyds TSB Foundation for England and Wales has granted £40,000 over three years to assist young people improve life chances

YSDF funds were received awarded for a 3 year period to start and progress 2 new area Youth Inclusion Programmes and to assist the programmes already established

Young Money is the name given to the Youth Opportunity Fund within Portsmouth. Motiv8 has supported young people in accessing this money and provided a range of activities. A further £4500 was received following the end of the Youth Warden Scheme

The Mayor of Gosport charity appeal has provided £4,500 to support our work in Gosport

A grant of £10,670 was received from the Gosport Partnership Community Cohesion Fund towards refurbishment works

Hampshire County Council granted £1,080 for a "musical motivation" Project

MOTIV8 SOUTH LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2011

13 Restricted funds (Continued)

Catch 22 Charity Limited awarded £11,122 to deliver a national citizen service pilot of which £890 has been received

De La Rue provided £1,500 to fund project activities in the Leigh Park area of Havant

Rotary Club provided £5,000 to support the Somerstown Sport 4 Change Programme

The Beatrice Laing Trust donated £2,000 to fund Gosport premises refurbishment works

The J Paul Getty Charitable Trust has made a three grant of £66,468 to develop the Youth Inclusion Programme for 13-19 year olds living in the Paulsgrove Ward in Portsmouth, £43,872 had been received at 31 March 2011

The Henry Smith Charity made a grant of £9,000 towards the purchase of a minibus

14 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 1 April 2010	Incoming resources	Resources expended	Transfers	Balance at 31 March 2011
	£	£	£	£	£
Fixed assets	16,694	-	-	21,253	37,947
Organisation development	70,000	-	-	50,000	120,000
Programme closure costs	25,000	-	-	-	25,000
Premises	15,000	-	-	50,000	65,000
Fundraising	5,000	-	-	-	5,000
Service Evaluation	5,000	-	-	(4,000)	1,000
Profile Development	5,000	-	-	(1,000)	4,000
People Development	10,000	-	-	(5,000)	5,000
Benefits Package	6,500	-	-	(3,500)	3,000
Freehold Property Fund	-	-	-	60,000	60,000
	158,194	-	-	167,753	325,947

MOTIV8 SOUTH LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2011

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 is for external consultation and expertise to support the development and planning for Motiv8's future

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 the liability

A Premises Fund has been designated to investigate new premises including building, feasibility and design costs, additional funds are currently awaited to support the feasibility study

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

The Service Evaluation fund is intended to evaluate Motiv8 delivery

The Profile Development Fund represents monies put aside to help update Motiv8's profile e.g. revisions to website, annual review, other literature

The People Development fund has been set up as, in addition to routine staff training, Motiv8 wishes to invest in capacity building through development of its people

The Benefits Package fund represents an allocation of funds in preparation of developing a benefits package for staff

The freehold property fund represents funds set aside towards the Gosport premises

MOTIV8 SOUTH LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2011

15 Analysis of net assets between funds

	Unrestricted Funds £	Designated funds £	Restricted funds £	Total £
Fund balances at 31 March 2011 are represented by				
Tangible fixed assets	-	29,709	-	29,709
Net current assets	108,017	288,000	27,391	423,408
	<u>108,017</u>	<u>317,709</u>	<u>27,391</u>	<u>453,117</u>

16 Obligations under operating leases

	Land and Buildings £	Other Leases £	Total 2011 £	Land and Buildings £	Other Leases £	Total 2010 £
Expiring within 1 year	5,083	-	5,083	250	2,642	2,892
Between 1 & 5 years	11,937	2,079	14,016	19,750	1,788	21,538
	<u>17,020</u>	<u>2,079</u>	<u>19,099</u>	<u>20,000</u>	<u>4,430</u>	<u>24,430</u>

17 Pensions

The charity will contribute 3% of an employee's salary to a Friends Provident Stakeholder Pension Scheme if the employee pays contributions of 3% or more Contributions of £5,835 (2010 £3,757) were made in respect of nine employees