

Charity Registration No. 1069085

Company Registration No. 3512607 (England and Wales)

MOTIV8 SOUTH LIMITED
TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2012

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MOTIV8 SOUTH LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Dr Mark Button - Chair Ric Carey Julia Hughes Mark Mitchell Richard Mitchell Joanne Purdy Colin Thorpe
Observers	Councillor Leo Madden
Finance Sub Committee	Ric Carey - Chair Mark Button Colin Thorpe Richard Mitchell
Officers in attendance	Charlie Adie Colyn Robinson
Chief Executive	Charlie Adie
Secretary	Charlie Adie
Charity number	1069085
Company number	3512607
Principal address	6 Queen Street Portsmouth Hampshire PO1 3HL
Registered office	6 Queen Street Portsmouth Hampshire PO1 3HL
Auditors	Jones Avens 53 Kent Road Southsea Portsmouth Hampshire PO5 3HU

MOTIV8 SOUTH LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Bankers

Co-operative Bank plc
46/48 Arundel Street
Portsmouth
Hampshire
PO1 1TD

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

Solicitors

Blake Lapthorn
Harbour Court
Compass Road
North Harbour
Portsmouth
Hampshire
PO6 4ST

MOTIV8 SOUTH LIMITED

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MOTIV8 SOUTH LIMITED

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2012

The trustees, who are also directors of the charity for the purposes of the Companies Act, present their report and accounts for the year ended 31 March 2012.

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 Articles and Memorandum of Association, the Companies Act 2006 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005.

STRUCTURE, GOVERNANCE AND MANGEMENT

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 were.

Dr Mark Button - Chair of Board

Ric Carey - Chair of Finance sub-group and
Vice Chair of Board

Julia Hughes - Chair of HR sub-group

Mark Mitchell

(appointed 6 September 2011)

Richard Mitchell - Chair of Service Delivery and
Development sub-group

Joanne Purdy

(appointed 6 September 2011)

Colin Thorpe

Simon Walton

(resigned 6 September 2011)

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

Recruitment to the Board is overseen by the Chair, supported by the Chief Executive. There is a documented process whereby an interested party is provided with background information prior to meeting with the Chief Executive who provides an overview of the organisation. All prospective appointments then meet the Chair before being invited to observe at a Board meeting, during which there will be opportunity for the prospective trustee and other trustees to ask questions prior to a formal vote being taken by the existing trustees. New trustees and observers are recruited to the Board 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.

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.

It is the view of the trustees that the Board is currently strong and well placed to provide governance and direction to the organisation. Thanks is expressed to all those that have served on the Board to provide continuity and stability through a period of transition, as well as both challenge and support to officers of the organisation.

MOTIV8 SOUTH LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

Trustees (continued)

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. Sub-groups are chaired by a trustee with further trustees making up the membership of each, and input provided by officers. 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

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 effective Risk Mapping process that was established in 2007. The Board, led by the chair of the Finance Sub-Group, considers 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 overall risk scores and narrative that accompanies each item are the subject of 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 November 2011.

Motiv8 officers continue to manage risk on a day-to-day basis through the Management Team plus a series of routine meetings covering Operations, Finance, Fundraising, IT, Administration, Health and Safety, HR, Quality, Premises 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 the major risks.

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'.

MOTIV8 SOUTH LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

Charity's aims

Motiv8 seeks to achieve the charity's objects primarily through direct service provision to young people, predominantly but not exclusively those aged 13-19, who have been targeted as being most at risk of offending, anti-social behaviour or disengagement from learning or employment. 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. In addition to services delivered in the community each team works with local schools and to support young people into further training and employment.

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

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 2011/12. 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 trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

The twelve months up to 31 March 2012 can be described as a year of transition, much of which was triggered by the combination of a new government within Great Britain in the previous year and continued economic difficulties within the country and globally. These factors have meant that previous consistent sources of income upon which the charity had depended, in certain cases for over 10 years, came to an end in 2011/12.

During this year of transition Motiv8 was successful in securing National Transition Fund from the Cabinet Office which was focused on 3 specific areas of activity:

1. Enhancing activities offered to schools.
2. Developing services specifically delivered by volunteers.
3. Getting expert support with business development.

A second major new source of income was to act as a sub-contractor within delivery of an European Social Fund (ESF) project of Reducing and Preventing those not in education, employment or training (NEET). This work began in summer 2011 and will continue for 3 years.

MOTIV8 SOUTH LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

Principal activities (continued)

These 2 major sources of income went some way to reduce the overall impact of losing significant sources of income that have funded community based work, and meant that any threat of redundancy could be offset with offers of redeployment for all staff. The outcome of these movements in income source is that the organisation structure evolved

- **Hampshire Team:** based in Gosport and Havant with significant increase in size of team.
- **Portsmouth Team:** based in North and South of the city with reduced size of team and closure of one delivery venue
- **Delivery Support:** providing all the non-front line aspects of operations PLUS leading on much expanded 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 falling in the areas where Motiv8 works.

Following on from the civil unrest experienced in England in summer 2011, a decision was taken by the trustees to place a greater emphasis than had previously been the case on youth employment. This is seen as a major hurdle to overcome if effective work done with young people aged 13-16 is to be effective as they move into young adult life aged 16-24. The impact of not having a job, or the fear of never getting a job, is a potential risk factor leading to crime and anti-social behaviour, hence the reason why it has been a focal area for Motiv8.

During the year 2011/12 Motiv8 activity moved towards a 3 function model of

- **Community:** delivering both targeted and open access services embedded within priority communities
- **School** working with schools to improve engagement and attendance, thereby improving attainment
- **Employment:** supporting further training and employment including providing apprentice and work opportunities.

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.

MOTIV8 SOUTH LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

ACHIEVEMENTS AND PERFORMANCE

2011/12 being a year of transition has been reflected in achievements and performance. Notably there has been a significant increase in the numbers of volunteers supporting Motiv8 in the delivery of services, now at over 80 active volunteers from approx. 30 in 2010/11. In addition the year was when Motiv8 first invested in the freehold of a property, having previously only rented and it also marked the end of rent free accommodation in Portsmouth when after 13 years Motiv8 vacated the Portsmouth Guildhall.

It had been reported that in 2010/11 Portsmouth had experienced the biggest drop of First Time Entrants to the youth criminal justice system in the areas where Motiv8 works since this measure was introduced as a prime indicator of youth crime. It is satisfying to report that this downward trend has continued through 2011/12 and Motiv8 continues to play its part in the multi-agency arrangements that are directly contributing to these improvements.

Performance has been strong across the organisation, as detailed below against the 6 Strategic Objectives

1. Consolidate existing core delivery

Community Based Teams delivering Youth Inclusion Programmes (YIP) as a targeted youth service remain a core part of delivery within the Community. This work has been augmented with an increase in open access services, with a particular focus on Friday and Saturday evenings. Work in Schools has moved from being 'new provision complementary to core' in 2010/11 to being core within 2011/12. Due to Transition Fund and securing new contracts it has been possible to increase schools delivery of the NOCN accredited Steps personal and social development programme from offering 4 programmes per year to 11 programmes per year. In addition a full portfolio workbook to accompany the accredited programme has been developed.

2. Expand core delivery to at least one new geographical area

Having started Motiv8 Havant in spring 2009 with 3 staff working out of a church vestry, the team moved into purpose built community accommodation in early 2011 and by summer 2011 had 6 staff. Looking to the future, due to the excellent reputation the team has developed in the area, Motiv8 has bid and been awarded all of the youth support service delivery on behalf of Hampshire County Council for the Borough of Havant in 2012/13, this will entail 4 additional delivery venues and an extra 10 staff based in Havant. Fareham remains the area where there is still further growth opportunity. During 2011/12 Motiv8 started working with a second school in Fareham and is now delivering 2 days per week. In addition due to the disaggregation of Wessex YOT, there is a new East Hampshire YOT office in Fareham Civic Offices and Motiv8 has a desk here to deliver Resettlement Services across the whole of East Hampshire which extends as far north as Aldershot and Rushmoor.

3. Develop new provision complementary to core delivery

2011/12 has seen a focus on developing services that support young people into employment. There have been 4 strands to this emerging activity:

- NEET (Not in education, employment or training) Reduction and Prevention work under contract for ESF; this provides one-to-one support to young people seeking training or employment. In addition small group sessions are offered such as accredited radio workshops delivered in partnership with community radio station Express FM.
- Apprenticeships: Motiv8 has taken on 4 apprentices within the year, with one progressing to a formal job within the organisation.
- Social enterprise: following an organisation wide focus teams competed in a Dragon's Den style contest to come up with ideas for a sustainable business that could train and employ young people. The winning idea was a bike business and from this www.bicyclerecycling.co.uk <<http://www.bicyclerecycling.co.uk>> has emerged, it currently employs 2 staff, one of whom is an apprentice.

MOTIV8 SOUTH LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

3. Develop new provision complementary to core delivery (continued)

- Volunteering: The other area of significant development during the year was the use of volunteers to assist in the front line delivery of services. Over 60 new volunteers, many of them under 25, have been recruited as Mentors. This service is aimed at young people who have been supported by a salaried Motiv8 Support Worker for a period of time and still would benefit from support but not at the same intensity.

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
- being commissioned to deliver services, Motiv8 remains the only non-statutory provider of targeted youth services recognised as being 'in scope' by Portsmouth City Council. In addition Hampshire County Council awarded grants to over 30 organisations across the county of which the value and scope of those to Motiv8 were larger than any other organisation.
- 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 sub-groups of the above
- 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.
- Motiv8 increasingly works as a sub-contractor on larger contracts, e.g. to Barnardo's for a major ESF contract and to Catch22 for National Citizen Services and Community Spaces Challenge.

5. Have robust infrastructure, business systems and resources

Having the right resources to deliver front line services is essential and a key part of this is having accessible well equipped delivery venues. During the year Motiv8 invested into the refurbishment of a premises in Gosport which the organisation has purchased from Gosport Borough Council. There was an opening event attended by the local MP, and Mayors past, present and future plus many other key stakeholders.

Strong performance across the organisation has been recognised with a series of independent audits:

- Investing in Volunteers renewed in April 2011
- Investors in People renewed and upgraded to include Wellbeing in November 2011
- Adventurous Activities Licencing Authority licence renewed in January 2012

Upgrading of IT to Windows 7 for staff was completed in 2011, this includes every Motiv8 venue has multiple computers for young people's use. With support from a trustee, Sharepoint has been introduced as an Intranet solution to share data between teams.

MOTIV8 SOUTH LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

6. Be sustainable

Whilst 2011/12 was a year of transition, it still resulted in strong financial performance with NEET work and National Transition Fund replacing lost income from YSDF as of April 2011. In seeking to invest for the future, significant resources went into refurbishing the new freehold venue in Gosport. This is reflected in a shift from cash in the bank to an increase in capital assets, and will set the team in Gosport up well for the future. With National Transition Fund being a one year grant it has been necessary to seek new replacement income for 2012/13. Various options have been pursued which include protecting core income from Portsmouth City Council, but the area of growth has been in securing Youth Support Services grants through Hampshire County Council to deliver services in Gosport, Fareham and Havant.

Looking to the future local authority income remains a major proportion of the income mix for Motiv8, and in addition bids are in for some large national statutory programmes including with Department for Work and Pensions. But it is corporate income and income generated through Social Enterprise that is seen as a more flexible long term source that allows a continued emphasis on charitable objects.

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 2011/12 are:

- Motiv8 supported over 800 young people, with 273 receiving targeted one-to-one support.
- Recruited 65 new volunteers to join 33 existing volunteers
- 242 young people completed a recognised accredited qualification as part of a Motiv8 programme
- Portsmouth saw a further 15% reduction in youth crime based on total number of young offenders.
- Based on evaluation feedback from young people (277 responses)
 - 100% felt that Motiv8 programmes were good or excellent
 - 93% of young people said that they had learnt new skills with Motiv8.
- Secured 11 days per week of schools contracts, up from 4 days in 2010/11.
- Attracted significant new income streams for 2012/13, as a main provider of targeted youth services for Portsmouth City Council and Hampshire County Council.

FINANCIAL REVIEW

The Statement of Financial Activities for the year ended 31st March 2012 is set out on page 13 of the financial statements. A summary of the financial results and the work of the charity are set out below.

There were incoming resources of £1,108,454 for the year ended 31st March 2012, of which £653,136 was unrestricted and £455,318 was restricted. There was a total deficit of £11,030 compared to a surplus of £38,623 for the previous year.

MOTIV8 SOUTH LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

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 2012 funds totalling £273,061 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 15 to the accounts. There were also general unrestricted funds carried forward of £169,018.

Funding

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

- Cabinet Office. Transition Fund
- Department for Education. Youth Sector Development Fund (YSDF)
- Youth Justice Board / Wessex Youth Offending Team:
 - Youth Inclusion Programme (YIP) / Crime Prevention Grant
 - Integrated Resettlement Support (IRS)
- Home Office. Community Action Against Crime Innovation fund
- Portsmouth City Council
 - Community Safety (youth inclusion programme)
 - Youth Crime Action Plan
 - Early Intervention Grant (youth inclusion programme/Friday night)
 - Local Transition Fund
 - Children's Social Care (intensive programme)
- Hampshire County Council
 - Children's Services Integrated (CSI) Grant to Voluntary Sector
 - County Council Grant
 - Youth Support Service transitional fund
- Gosport Borough Council
 - Community Safety (Acceptable Behaviour Contracts)
 - Community Grant
 - Mayor of Gosport

MOTIV8 SOUTH LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

Funding (continued)

- Havant Borough Council
 - Community Safety (Youth Delivery and Alcohol Reduction Work)
 - Mayor of Havant
 - Havant Womens Aid (Domestic abuse training DVD)
 - Havant LCP
- European Social Fund / Skills Funding Agency / Barnardo's
 - NEET reduction and prevention
- Wessex Youth Offending Team / Catch22
 - Appropriate Adult service
- Hampshire Police Authority Fareham Acceptable Behaviour Contract (ABC)
- Charitable Trust and Foundations
 - Lloyds TSB Foundation
 - J Paul Getty Charitable Trust
 - Hampshire and Isle of Wight Charitable Foundation
 - Princes Trust
- The Big Lottery
 - Community Spaces Challenge (via Catch22)
 - Awards for All
- 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
 - Lord Wilson School, Fareham
 - Park Community School, Havant
- Wheatsheaf Trust
- Pfizers
- Individuals Mr and Mrs Bolton, Mrs Cole, Ms Carnt, Sir John Chadwick.
- University of Portsmouth

Asset cover for funds

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

Plans for the future

Motiv8's Business Plan 2010-2013 was reviewed by trustees and officers between October 2011 and January 2012. The six strategic objectives identified to take the organisation forward in delivering its Objects, Aims and Objectives remain unchanged, these are:

- 1.Consolidate existing core delivery (considered to be Community, Schools, Employment)
- 2.Expand core delivery to at least one new geographical area (target area is Fareham)
- 3.Develop new provision complementary to core delivery (establish sustainable social enterprise)
- 4.Be recognised as a partner of choice (through commissioning, referrals and general business)
- 5.Have robust infrastructure, business systems and resources
- 6.Be sustainable

CHANGES IN FIXED ASSETS

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

MOTIV8 SOUTH LIMITED

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees, who are also the directors of Motiv8 South Limited for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

In preparing these accounts, the trustees are required to.

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

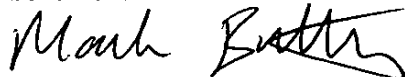
DISCLOSURE OF INFORMATION TO AUDITORS

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 reappointed as auditors of the company will be put to the annual general meeting.

On behalf of the board of trustees



Dr Mark Button - Chair

Trustee

Dated. 26 July 2012

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 2012 set out on pages 13 to 25. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' 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 explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of Motiv8 South Limited for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited accounts. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on accounts

In our opinion the accounts

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2012 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the accounts are prepared is consistent with the accounts.

MOTIV8 SOUTH LIMITED

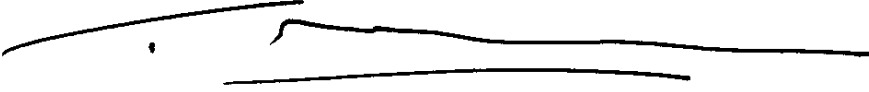
INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF MOTIV8 SOUTH LIMITED

Matters on which we are required to report by exception

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

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


Timothy Millett ACA (Senior Statutory Auditor)
for and on behalf of Jones Avens

Chartered Accountants
Statutory Auditor
53 Kent Road
Southsea
Portsmouth
Hampshire
PO5 3HU

Dated 26 July 2012

MOTIV8 SOUTH LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2012

	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2012 £	Total 2011 £
<u>Incoming resources from generated funds</u>						
Voluntary income	2	20,537	-	-	20,537	73,048
Investment income	3	2,281	-	-	2,281	3,569
		22,818	-	-	22,818	76,617
Incoming resources from charitable activities	4	616,881	-	455,318	1,072,199	1,133,919
Other incoming resources	5	13,437	-	-	13,437	26,467
Total incoming resources		653,136	-	455,318	1,108,454	1,237,003
<u>Resources expended</u>						
<u>Costs of generating funds</u>						
Fundraising and Publicity Costs	6	38,951	-	-	38,951	33,984
Net incoming resources available		614,185	-	455,318	1,069,503	1,203,019
<u>Charitable activities</u>						
Provision of Services for Young People		617,734	4,000	450,539	1,072,273	1,155,551
Governance costs		8,260	-	-	8,260	8,845
Total resources expended		664,945	4,000	450,539	1,119,484	1,198,380
Net (outgoing)/incoming resources before transfers		(11,809)	(4,000)	4,779	(11,030)	38,623
Gross transfers between funds		76,556	(48,886)	(27,670)	-	-
Net income/(expenditure) for the year/ Net movement in funds		64,747	(52,886)	(22,891)	(11,030)	38,623
Fund balances at 1 April 2011		104,279	325,947	22,891	453,117	414,494
Fund balances at 31 March 2012		169,026	273,061	-	442,087	453,117

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

MOTIV8 SOUTH LIMITED

BALANCE SHEET

AS AT 31 MARCH 2012

	Notes	2012 £	£	2011 £	£
Fixed assets					
Tangible assets	10	209,061		37,947	
Current assets					
Debtors	11	122,394		91,097	
Cash at bank and in hand		196,130		390,296	
		<u>318,524</u>		<u>481,393</u>	
Creditors: amounts falling due within one year	12	<u>(85,498)</u>		<u>(66,223)</u>	
Net current assets		<u>233,026</u>		<u>415,170</u>	
Total assets less current liabilities		<u><u>442,087</u></u>		<u><u>453,117</u></u>	
Income funds					
Restricted funds	14	-		22,891	
Unrestricted funds					
Designated funds	15	273,061		325,947	
Other charitable funds		<u>169,026</u>		<u>104,279</u>	
		<u><u>442,087</u></u>		<u><u>453,117</u></u>	

The accounts were approved by the Board on 26 July 2012



Dr Mark Button - Chair
Trustee

Company Registration No. 3512607

MOTIV8 SOUTH LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2012

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention

The accounts have been prepared in accordance with applicable accounting standards, the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005 and the Companies Act 2006

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

Fundraising and publicity costs include directly incurred expenses and time apportioned salary costs.

Direct charitable expenditure includes all expenditure directly related to the objects of the charity

Governance costs are incurred in the governance of the charity and are primarily associated with constitutional and statutory requirements.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Below a value of £1,000 fixed assets are not capitalised. 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 land is not depreciated

Freehold buildings	2% straight line
Leasehold property	Over the period of the lease
Fixtures, fittings and equipment	20-50% straight line
Motor vehicles	20-50% straight line

The fixed assets are reviewed for impairment

1.5 Leasing and hire purchase commitments

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

MOTIV8 SOUTH LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

1 Accounting Policies

(continued)

1.6 Pensions

The charity operates a defined contributions pension scheme. Contributions are charged in the accounts as they become payable in accordance with the rules of the scheme.

1.7 Accumulated 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 the notes to the accounts.

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 for specific purposes. The purposes and uses of the designated funds are set out in the notes to the accounts.

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

2 Voluntary Income

	2012 £	2011 £
Individual donations	3,037	-
Minibus donation	17,500	-
Grants receivable for core activities	-	73,048
	<u>20,537</u>	<u>73,048</u>

In 2011 Motiv8 received £73,048 in core funding through a service agreement with Portsmouth City Council, accommodation was quantified at £52,598 and the balance of £20,450 was a contribution to salary and administrative costs.

3 Investment Income

	2012 £	2011 £
Interest receivable	<u>2,281</u>	<u>3,569</u>

MOTIV8 SOUTH LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

4 Incoming resources from charitable activities

	Unrestricted funds £	Restricted funds £	Total 2012 £	Total 2011 £
Service level agreements and grants	<u>616,881</u>	<u>455,318</u>	<u>1,072,199</u>	<u>1,133,919</u>

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

Portsmouth City Council	238,243	309,493
YSDF	6,664	318,978
Cabinet Office Transition Fund	250,000	-
Barnado's NEET funding	120,796	-
Youth Justice Board/Wessex Youth Offending Team	53,362	84,000
Wessex Youth Offending Team Integrated Resettlement Support	38,878	56,458

5 Other Incoming resources

	2012 £	2011 £
Other income	<u>13,437</u>	<u>26,467</u>

6 Total resources expended

	Staff costs £	Depreciation £	Other costs £	Total 2012 £	Total 2011 £
Costs of generating funds					
Fundraising and Publicity Costs	32,487	-	6,464	38,951	33,984
Charitable activities					
<u>Provision of Services for Young People</u>					
Activities undertaken directly	809,460	22,015	240,798	1,072,273	1,155,551
Governance costs	-	-	8,260	8,260	8,845
	<u>841,947</u>	<u>22,015</u>	<u>255,522</u>	<u>1,119,484</u>	<u>1,198,380</u>

Governance costs includes payments to the auditors of £3,840 (2011: £3,840) for audit fees and £3,128 (2011: £3,154) for other services.

MOTIV8 SOUTH LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

7 Activities undertaken directly

	2012	2011
	£	£
Other costs relating to provision of services for young people comprise:		
Other Staff Costs	10,474	5,828
Staff Training	19,249	17,267
Staff Travel and Subsistence	5,209	4,981
Volunteer Expenses	3,810	1,959
Apprentices	11,313	-
Consultancy	13,379	11,207
Activities	64,018	80,251
Rent	29,809	83,484
Rates	1,712	1,565
Insurance	13,991	13,189
Utilities	3,543	2,667
Property Maintenance	11,652	11,128
Telephone	13,884	13,906
Printing, Postage and Stationery	6,875	6,140
Motor Expenses and Vehicle Hire	15,084	11,996
Repairs and renewals	10,033	10,167
Computer Expenses	4,208	6,822
Subscriptions	2,551	3,601
Sundry Expenses	4	214
	<u>240,798</u>	<u>286,372</u>

8 Trustees

None of the trustees or any persons connected with them received any remuneration or expenses during the year

MOTIV8 SOUTH LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

9 Employees

Number of employees

The average monthly number of employees during the year was

	2012 Number	2011 Number
Chief Executive	1	1
Direct Charitable Staff	42	43
	<u>43</u>	<u>44</u>

Employment costs

	2012 £	2011 £
Wages and salaries	769,163	793,234
Social security costs	67,474	71,701
Other pension costs	5,310	5,835
	<u>841,947</u>	<u>870,770</u>

There were no employees whose annual remuneration was £60,000 or more.

MOTIV8 SOUTH LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

10 Tangible fixed assets

	Freehold land and buildings £	Leasehold land and buildings £	Computer Equipment £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost						
At 1 April 2011	13,561	-	62,879	35,566	37,406	149,412
Additions	167,862	6,980	2,277	1,109	17,500	195,728
Disposals	-	-	-	-	(2,000)	(2,000)
At 31 March 2012	181,423	6,980	65,156	36,675	52,906	343,140
Depreciation						
At 1 April 2011	-	-	55,676	25,089	30,699	111,464
On disposals	-	-	-	-	(2,000)	(2,000)
Charge for the year	2,428	1,396	8,340	4,650	7,801	24,615
At 31 March 2012	2,428	1,396	64,016	29,739	36,500	134,079
Net book value						
At 31 March 2012	178,995	5,584	1,140	6,936	16,406	209,061
At 31 March 2011	13,561	-	7,202	10,477	6,707	37,947

11 Debtors

	2012 £	2011 £
Trade debtors	89,833	40,931
Other debtors	1,191	-
Prepayments and accrued income	31,370	50,166
	122,394	91,097

MOTIV8 SOUTH LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

12 Creditors: amounts falling due within one year	2012 £	2011 £
Trade creditors	22,621	16,141
Taxes and social security costs	19,014	19,852
Accruals	43,863	30,230
	<u>85,498</u>	<u>66,223</u>

Accruals includes deferred income of £29,448 (2011: £5,000) in respect of projects where funding has been received in advance of the following year

13 Pension and other post-retirement benefit commitments

Defined contribution

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 were paid in respect of seven employees (2011: nine employees).

	2012 £	2011 £
Contributions payable by the company for the year	<u>5,310</u>	<u>5,835</u>

MOTIV8 SOUTH LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

14 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 2011	Movement in funds		Transfers	Balance at 31 March 2012
	£	Incoming resources	Resources expended	£	£
Transition Fund Grant	-	250,000	(250,000)	-	-
Wessex YOT/Youth Justice Board	-	53,362	(53,362)	-	-
YSS NEET Daytime Provision	-	11,975	(11,975)	-	-
J Paul Getty Charitable Trust	-	22,596	(22,596)	-	-
Community Action Against Crime Innovation Fund	-	21,613	(21,613)	-	-
Catch22 NCS Partnership	-	19,690	(19,690)	-	-
Big Lottery/Crime Concern	-	15,896	(15,896)	-	-
Gosport Borough Council	10,670	15,000	-	(25,670)	-
Portsmouth City Council	-	12,000	(12,000)	-	-
Other	12,221	33,186	(43,407)	(2,000)	-
	<u>22,891</u>	<u>455,318</u>	<u>(450,539)</u>	<u>(27,670)</u>	<u>-</u>

The Transition Fund is administered by Big Fund for the Office for Civil Society, Cabinet Office. The grant of £250,000 funded the development of embedded Community Based Delivery, Personal and Social Development Programmes (Step up) and Volunteering. This funding supported "change activity" to create a more sustainable model of delivery which is responsive to need at a time when public funding is being cut.

The Wessex Youth Offending Team/Youth Justice Board fund youth crime prevention, this is delivered in a combination of group settings and one-to-one support and is focused on the Charles Dickens area of Portsmouth.

Hampshire County Council provided £11,975 for Youth Support Service NEET daytime transitional funding

The J Paul Getty Charitable Trust made a final grant of £22,596, part of a three year grant of £66,468, to develop the Youth Inclusion Programme for 13-19 year olds living in the Paulsgrove Ward in Portsmouth.

MOTIV8 SOUTH LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

14 Restricted funds

(continued)

Grants totalling £22,596 were received from the Community Action Against Crime Innovation Fund which funds new ways of working to cut crime and keep communities safe

The Catch22 Charity Limited awarded £19,690 to continue to develop a National Citizen Service Pilot

The Big Lottery Fund Grant from Catch22 (formerly Crime Concern) provided £85,500 for the five years ended September 2012 to enhance the activities of the Youth Inclusion Programme to develop community spaces

Gosport Borough Council awarded a further community grant of £15,000 towards building works on the Gosport Premises.

Portsmouth City Council provided £12,000 to develop volunteer mentoring

Brought forward within other restricted funds is £10,221 from Lloyds TSB Foundation to assist young people improve life chances and £2,000 from the Beatrice Laing Trust to fund the refurbishment of the Gosport premises. Other restricted fund incoming resources includes £10,000 from the Big Lottery Fund Awards for All for the 4 Seasons Project, a final payment of £6,664 from the Youth Sector Development Fund to develop and assist Youth Inclusion Programmes and £4,155 from Gosport Borough Council YOUdecide fund for the Challenge Canal project.

MOTIV8 SOUTH LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

15 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 2011	Incoming resources	Resources expended	Transfers Balance at 31 March 2012
	£	£	£	£
Fixed Assets Fund	37,947	-	-	171,114
Organisation Development Fund	120,000	-	-	(110,000)
Programme Closure Costs Fund	25,000	-	(4,000)	(11,000)
Premises Fund	65,000	-	-	(62,000)
Freehold Property Fund	60,000	-	-	(60,000)
Service Evaluation Fund	1,000	-	-	(1,000)
Profile Development Fund	4,000	-	-	(1,000)
People Development and Benefits	8,000	-	-	-
Package Funds				
Fundraising Fund	5,000	-	-	(5,000)
Social Enterprise Fund	-	-	-	30,000
	<u>325,947</u>	<u>-</u>	<u>(4,000)</u>	<u>(48,886)</u>
				<u>273,061</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 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 this liability.

The Premises Fund was designated to investigate new premises including building, feasibility and design costs

MOTIV8 SOUTH LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

15 Designated funds

(continued)

The Freehold Property Fund was set aside for the Gosport premises

The Service Evaluation Fund was to evaluate Motiv8 delivery.

The Profile Development Fund is to help update Motiv8's profile including revisions to the website, annual review and other literature

The People Development Fund of £5,000 has been set up for investment in capacity building through people development.

The Benefits Package Fund of £3,000 is an allocation of funds for developing a staff benefits package.

The Social Enterprise Fund is to support Social Enterprise initiatives

16 Analysis of net assets between funds

	Unrestricted funds £	Designated funds £	Restricted funds £	Total £
Fund balances at 31 March 2012 are represented by				
Tangible fixed assets	-	209,061	-	209,061
Current assets	254,524	64,000	-	318,524
Creditors: amounts falling due within one year	(85,498)	-	-	(85,498)
	<u>169,026</u>	<u>273,061</u>	<u>-</u>	<u>442,087</u>

17 Commitments under operating leases

At 31 March 2012 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2012 £	2011 £	2012 £	2011 £
Expiry date:				
Within one year	15,942	5,083	-	-
Between two and five years	7,000	11,937	2,079	2,079
	<u>22,942</u>	<u>17,020</u>	<u>2,079</u>	<u>2,079</u>