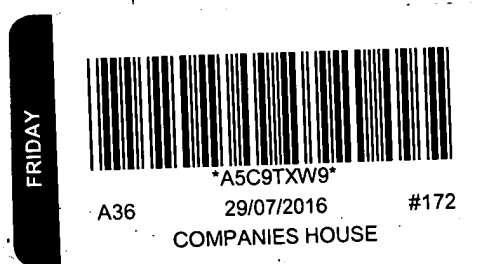


Charity Registration No. 1069085

Company Registration No. 03512607 (England and Wales)

MOTIV8 SOUTH LIMITED
TRUSTEES' REPORT AND CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2016



MOTIV8 SOUTH LIMITED

CONTENTS

	Page
Legal and administrative information	1 - 2
Trustees' report	3 – 13
Independent auditors' report	14 – 15
Consolidated statement of financial activities	16
Consolidated and company balance sheets	17
Statement of cash flows and consolidated statement of cash flows	18
Notes to the accounts	19 – 33

MOTIV8 SOUTH LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Professor Mark Button - Chair
Caroline Andow
Steve Dimon
Valerie Hopkins
Mark Mitchell
Joanne Purdy
Lisa Sigalet
Adam Swanson
Colin Thorpe
Cdr Julian Titmuss

Resources Sub Group

Lisa Sigalet - Chair
Professor Mark Button
Steve Dimon
Adam Swanson
Cdr Julian Titmuss

Officers in attendance

Charlie Adie
Marina Tuck
Martin Wood

Chief Executive

Charlie Adie

Secretary

Charlie Adie

Charity number

1069085

Company number

3512607

Registered office

6 Queen Street
Portsmouth
Hampshire
PO1 3HL

Auditors

Jones Avens Limited
53 Kent Road
Southsea
Portsmouth
Hampshire
PO5 3HU

MOTIV8 SOUTH LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION (Continued)

Bankers

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

Co-operative Bank Plc
91 Commercial Road
Portsmouth
Hampshire
PO1 1BQ

Solicitors

Blake Morgan LLP
Harbour Court
Compass Road
North Harbour
Portsmouth
PO6 4ST

Shoosmiths
Russell House
1550 Parkway
Whiteley
Hampshire
PO15 7AG

MOTIV8 SOUTH LIMITED

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2016

The trustees, who are also directors of the charity for the purposes of the Companies Act, present their report and consolidated accounts of the charity and its subsidiary for the year ended 31 March 2016 which also meet Companies Act requirements for a directors report and accounts.

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 Charities Act 2011, the Companies Act 2006 and Accounting and Reporting by Charities Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

REFERENCE AND ADMINISTRATIVE INFORMATION

Refer to pages 1 and 2.

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:

Caroline Andow

Professor Mark Button – Chair of Motiv8 Board

Tim Caley – Vice Chair of Motiv8 Board

(retired 31st January 2016)

Steve Dimon – Chair of Bicycle Recycling South Ltd Board

Valerie Hopkins

(appointed 26th May 2016)

Julia Hughes

(resigned 30th June 2015)

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

Joanne Purdy

Colin Thorpe

Lisa Sigalet – Chair of Resources sub-group

Adam Swanson

Cdr Julian Titmuss

(appointed 26th November 2015)

Observer to the Board, who served during the year:

Councillor Ryan Brent

(appointed 26th November 2015)

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 appointees then meet the Chair before being invited to observe at a Board meeting, during which there is the 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 existing trustees.

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.

MOTIV8 SOUTH LIMITED

TRUSTEES' REPORT (Continued) FOR THE YEAR ENDED 31 MARCH 2016

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED) Trustees (continued)

Motiv8 continues to be successful in attracting new Trustees, and the past twelve months has seen two new appointees, each of whom bring a range of skills gained through life in public service and professional careers. The organisation continues to seek new Trustees who can complement the existing Board, and expects to make further appointments during the next twelve months.

As reported in the 2014/15 Trustee's Report, in June 2015 the organisation said farewell and thank you to Julia Hughes who served Motiv8 for eleven years bringing a wealth of experience of young people's organisations and in particular as Chair of the HR Sub-Group. In January 2016 Tim Caley stepped down as a Trustee having first been associated with the organisation in 2012 in an interim operational management capacity and then later as a Trustee serving as Vice Chair. We value and appreciate all that they brought to Motiv8 and wish them well for the future.

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, 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. Due to the inextricable link between finance and people, the decision was taken at the start of 2015/16 to combine the previously separate Finance Sub-Group and HR Sub-Group to form a single Resources Sub-Group, as such the two sub-groups of the Board throughout the year are:

- **Resources Sub-Group**
- **Service Delivery and Development Sub-Group**

The Board also meets on an as required basis to discuss either 'task and finish' activities or extra-ordinary decisions that need to be taken outside of the routine cycle of governance meetings. These meetings can include reviewing the strategic effectiveness and overall governance of Motiv8, in which case they are held without officers present although officers may be invited to present on a specific item to inform discussion. This typically happens 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.

Since 1st April 2014 Bicycle Recycling South Ltd (BRS) has operated as a social enterprise wholly owned by Motiv8 South Ltd. BRS has its own board of Directors consisting of Steve Dimon (Chair), Colin Thorpe and Charlie Adie. Guy Partleton who was a founding Director of BRS formally stepped down as a Director in October 2015. The current BRS Board made up of 2 Trustees of Motiv8 and 1 senior officer ensures strong linked governance between the two organisations.

Remuneration of Key Management Personnel

The goal of Motiv8's pay and remuneration policy for key management personnel is to offer fair pay to attract and retain appropriately qualified staff to lead, manage, support and deliver the charity's aims. Pay scales exist for each role within the organisation and incremental movement on those pay scales is linked to the achievement of agreed performance objectives and a robust appraisal process.

Risk Management

Motiv8 continues to build on the effective Risk Mapping process that was established in 2007. This approach 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

MOTIV8 SOUTH LIMITED

TRUSTEES' REPORT (Continued) FOR THE YEAR ENDED 31 MARCH 2016

OBJECTIVES AND ACTIVITIES

Risk Management (continued)

Risk Management is a standing item at each Sub-Group and any area of risk that has shifted or is considered to be high is flagged and a suitable mitigation plan agreed and documented through the meeting minutes with actions put in place to ensure that it is managed. The significant majority of risks are reviewed as a matter of routine e.g. staff movements, competition, government policy etc; with any others being raised through Full Board meetings.

Motiv8 officers manage risk on a day-to-day basis through the Management Team plus a series of routine meetings covering Operations, Finance & Fundraising, IT, Health & Safety, HR, Quality, Premises and Marketing; these in turn feed into the Board meeting cycle. 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.

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 achieves the charity's objects primarily through direct service provision to young people and their families. Young people are those aged 9-24 with a focus on those aged 13-19. Direct service provision is a combination of providing:

- positive diversionary and development activities alongside
- targeted group and one-to-one activity.

Targeted work is aimed at those 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, but can be through self-referral.

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 training providers to promote attendance and supports young people into further training and employment.

Motiv8 actively works in partnership arrangements to ensure that we can serve more young people and families, and also to provide services that draw on the skills of different organisations. Each Community Based Team has local partnership arrangements, plus Motiv8 is part of the Transform consortium, led by national charity Barnardo's, delivering intensive family support across the whole of Hampshire.

At all times Motiv8 aims to be a leader and innovator in its field as well as the local partner of choice. Our approach to delivery emphasises prevention and early help.

Charity's strategic objectives

For the financial year 2015/16 Motiv8 was guided by the Motiv8 Business Plan 2013–2016. This published document set out six key strategic objectives, namely:

1. Maintain community based Targeted youth and family delivery in all geographic areas.
2. Create more real employment opportunities for young people.
3. Develop participation opportunities for unpaid staff (volunteer, student, work experience).
4. Be recognised as a partner of choice.
5. Have robust infrastructure, business systems and resources.
6. Be sustainable with a focus on increasing proportion of non-statutory income.

MOTIV8 SOUTH LIMITED

TRUSTEES' REPORT (Continued) FOR THE YEAR ENDED 31 MARCH 2016

OBJECTIVES AND ACTIVITIES (CONTINUED)

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

With reference to guidance issued by the Charity Commission, Trustees decide what activities the charity should undertake. There are dual priorities of delivering activities that provide a clear and demonstrable benefit whilst also achieving full cost recovery such that the organisation remains financially sustainable.

In 2015/16 Motiv8 maintained its structure operating under 3 specific brands:

- **Motiv8:** 3 community based teams (Portsmouth, Gosport & Fareham, Havant) offering a mix of diversionary, developmental and targeted provision in Community, Education and Employment.
- **Transform:** a consortium of Barnardo's, Motiv8, Family Lives and Step by Step delivering intensive family support across the whole of Hampshire through a multi-disciplinary team.
- **Bicycle Recycling:** since 1st April 2014 Bicycle Recycling South Ltd has operated as a trading subsidiary of Motiv8, working in the community and through 3 shops in Gosport and Portsmouth.

Throughout 2015/16 delivery remains summarised with the 3 functional headings of:

- **Community:** delivering both targeted and open access services embedded within priority communities
- **Education:** partnering schools to improve engagement and attendance, thereby improving attainment
- **Employment:** supporting training and employment including apprenticeships and work opportunities.

Motiv8 is committed to the participation and involvement of young people across all that we do. Different teams achieve this in different ways, but the common ethos is to involve young people in the design and delivery of services, and also to provide real opportunities for learning and development.

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 for their hard work during the year and particularly volunteers who contribute so much to the work of the charity.

ACHIEVEMENTS AND PERFORMANCE

The past year in numbers:

- Motiv8 worked with **over 3500 young people**.
- Provided a dedicated **emotional wellbeing service to 197 young people**.
- **90 young people gaining accredited qualifications** through Motiv8 schools programmes.
- Employed 93 people, plus had 67 volunteers, 11 trustees and provided 37 student placements, making a total **208 individuals involved in providing Life Chances for Young People**.
- Worked in **partnership with 18 schools and colleges** and provided Duke of Edinburgh support to a further 10 schools.
- Through Transform and Motiv8's community based teams, **supported 220 families** who between them have **over 600 children**.
- Deliver **18 youth clubs every week** from 12 different community settings.

Motiv8 has been subject to two independent evaluations over the past twelve months which have been carried out for core Targeted (Divert) and Intensive (Transform) delivery. The following are some of the findings.

MOTIV8 SOUTH LIMITED

TRUSTEES' REPORT (Continued) FOR THE YEAR ENDED 31 MARCH 2016

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Divert Evaluation, produced by the Performance & Policy Team, Hampshire Police & Crime Commissioner in March 2016. The following data is based on an evaluation of 6 Operation Divert programmes with a total of 41 young people – figures and quotes taken direct from the independent report:

- Average ASB incidents pre Divert: 12.3 per week; post Divert: 4 per week.
- Average number of crimes pre Divert: 4.6 per week; post Divert: 0.4 per week.
- Average cost of dealing with ASB specific to 41 young people pre Divert: £7,741 per week; post Divert: £2,516 per week.
- Average cost of dealing with an arrest pre Divert: £10,515 per week; post Divert: £933 per week.
- Total cost of running 1 Divert programme: £7,157

Quotes from the report:

'Based on observations and discussions with teachers and parents, it is clear Divert has had a positive impact on the young people involved in the programmes, especially in their attitude, behaviour and outlook on life.'

'In addition there have been unexpected positive outcomes as a result of the Divert programme. Parents feeling empowered to discipline and set boundaries for their children based on skills which they unexpectedly acquired through the programme through to young people wishing to volunteer for Motiv8.'

'I've seen a huge change in the young people who are now polite.' (School teacher)

'The boys reflect on their behaviour at home and they've not been in any trouble recently.' (parent)

'I've changed my life around for the better.' (young person).

Transform; peer to peer audit review commissioned by Hampshire County Council, utilising 14 Family Intervention Standards. Audit included consultations, focus groups, case file audit, visits to families, observing practice and meetings with partner organisations. Findings taken direct from report:

- Intensive family support workers (IFSWs) are highly skilled in engaging with families and offer a flexible service to meet the needs of families.
- Transform provides a range of training opportunities for workers.
- Families can describe in detail the interventions that they have received and how this has supported them to make positive change.
- Transform uses a whole family approach and can evidence resilience and sustainability in families who they work with.

In addition to producing quantitative and qualitative data, Motiv8 also reviews progress against the 6 Strategic Objectives in the Business Plan:

1. Maintain community based Targeted youth and family delivery in all geographic areas

Breaking down this objective into its component parts to review progress:

- Community based ... in all geographic areas: has been maintained by virtue of the fact that Motiv8 has sustained its three community based teams, and Transform is embedded across every borough of Hampshire.
- Targeted youth delivery: exists as a commissioned service working with groups e.g. Operation Divert and providing 1-1 support. During the past twelve months Motiv8 has secured Charitable Trust income from J P Getty and BBC Children in Need in order to increase targeted support. In addition Motiv8 has developed its Traded 1-1 Support in all areas, and offers an Intensive youth support service in Portsmouth funded through the Police & Crime Commissioner.
- Family delivery: as well as Transform which is an intensive family support service, all Motiv8 teams offer targeted family support which has grown from nothing two years ago to now supporting over 100 families per year.

MOTIV8 SOUTH LIMITED

TRUSTEES' REPORT (Continued) FOR THE YEAR ENDED 31 MARCH 2016

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

2. Create more real employment opportunities for young people.

The focus for this objective has been within Bicycle Recycling which in summer 2015 developed a full Education & Employment programme consisting of:

- Work Experience & Volunteering: typically have 5 young people on work experience each week.
- Traineeships & Apprenticeships: have had 2 trainees who are care leavers and 3 apprentices over the past twelve months. All apprentices have completed and gone on into full time employment.
- Bike Maintenance Clubs: create an informal environment for young people to learn new skills, this can be done through school, with housing providers, youth groups and colleges.
- Bike Maintenance Academy: in partnership with Highbury College we have developed a full time further education course at Levels 1 and 2.

3. Develop participation opportunities for unpaid staff (volunteer, student, work experience)

After a high point in 2014/15, numbers volunteering has reduced in 2015/16 from 92 to 64 people. A contributing factor has been removal of the dedicated post of Volunteer Coordinator due to funding pressures. However, after the initial slump in volunteer numbers now that Services Managers have taken up the lead for their specific teams we are seeing volunteer numbers rise again.

Student and work experience opportunities have remained steady across the organisation, with a significant increase observed in Bicycle Recycling in line with the Education & Employment programme.

4. Be recognised as a partner of choice

Partnership working continues to be a strength across the organisation. Evidence of this takes a number of forms including growth within Motiv8 Traded Services, this is where we offer services at a price to achieve full cost recovery – and without partnership there would be no Traded Services. Another area of success is consortia/partner working which is happening in all teams:

- Transform: is a consortia of Barnardo's, Motiv8, Step by Step, Family Lives;
- Motiv8 Portsmouth: delivering its Positive Activities contract with Pompey in the Community.
- Motiv8 Havant: delivering the YSS contract with Communitas.
- Motiv8 Gosport: delivering Music project with Rowner Community Trust.
- Bicycle Recycling: working with all major cycling organisations e.g. CTC, Sustrans, British Cycling.

5. Have robust infrastructure, business systems and resources

Cloud based systems now account for all areas of the business; new additions in 2015/16 have been:

- Case & Activity Management System: common system across all projects, with data being owned by Motiv8 rather than using a multitude of other systems, greatly improved outcome reporting.
- Customer Relationship Management System: allows better handling of contacts data through electronic and hard copy media; can be integrated with fundraising modules.

The improved financial systems introduced in 2014/15 have been fully embedded in the past twelve months to provide accurate and timely data at a project and individual level which greatly enhances our ability to understand levels of contribution by income stream.

We have consolidated our premises to one Community Based Team venue per area that Motiv8 owns or holds the lease on, and then hire premises as needed for additional delivery.

MOTIV8 SOUTH LIMITED

TRUSTEES' REPORT (Continued) FOR THE YEAR ENDED 31 MARCH 2016

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

6. Be sustainable with a focus on increasing proportion of non-statutory income

Despite a continued challenging financial climate, with increased pressure on local authorities to save money, Motiv8 has been successful in delivering a surplus and Bicycle Recycling a profit. Improved financial systems and greater scrutiny on contribution and cash flow have meant that poor performance can be addressed. One area that remains difficult is accurately forecasting Payment by Results (PBR) contracts, however an area that has seen significant progress over the past twelve months is the development of Motiv8 Traded Services having taken learning from Bicycle Recycling.

2015/16 has maintained high levels of engagement with young people but also seen a shift towards a more self-sustaining structure where an increased proportion of total income is generated through Trading and Private income.

FINANCIAL REVIEW

The Consolidated Statement of Financial Activities for the year ended 31 March 2016 is set out on page 16 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 £1,393,753 for the year ended 31 March 2016, of which £1,305,260 was on unrestricted funds and £88,493 was restricted. There was a total surplus of £11,687 and at 31 March 2016 there were total funds of £394,910 of which £93,112 were restricted, £181,220 designated and £120,578 unrestricted.

Reserves policy

The policy is reviewed annually, and it currently reads:

Policy

It is the policy of MOTIV8 that unrestricted funds 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 three 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 on 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 31 March 2016 funds totalling £181,220 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 19 to the accounts.

There was a capital commitment of £36,000 at the year end in relation to a building project for which restricted funds were held.

MOTIV8 SOUTH LIMITED

TRUSTEES' REPORT (Continued) FOR THE YEAR ENDED 31 MARCH 2016

FINANCIAL REVIEW (CONTINUED)

Financial Rules

Trustees apply the following rules when managing the organisation's financial stability:

1. Expenditure must be considered for each team, and further more for each project and staff member within that team; rather than biased towards the whole organisation.
2. Each team to work on the basis of a balanced budget, recognising the cash flow variances brought about by different funding cycles due to financial years, academic years, start dates of funding and Payment By Results (PBR) associated activity.
3. Teams that wish to consider forecast budgeting can do so to a maximum of 10% of their teams turnover pro rata'd for the remaining proportion of the financial year and based on evidence of previous positive track record at income generation. However, failure to deliver predicted income must be corrected within the remainder of the financial year.
4. Cash flow monitoring to be conducted on a monthly basis (as opposed to quarterly) and to take full account of Received & Guaranteed, Pipeline and PBR income.

The Finance Department, led by the Finance Director, has been very effective at providing high quality timely financial information at both a whole organisation and team level through the year. Trustees express their sincere thanks for the diligence and scrutiny with which this work is undertaken.

Funding

Motiv8 place great significance on partnership working. Trustees wish to acknowledge the support of the following organisations who have supported Motiv8 over 2015/16 and without whom the charity would be unable to operate:

- Portsmouth City Council
 - Integrated Targeted Youth Support Service (ITYSS)
 - Positive Activities including Duke of Edinburgh
 - Traded 1-1 support
 - Love Your Street grant
 - Transition and Capacity Fund
 - EU Comenius Project
- Hampshire County Council
 - Youth Support Service (YSS)
 - Intensive Family Support Service/Transform (via Barnardo's)
 - Traded 1-1 support & inclusion groups
- Gosport Borough Council
 - Local supporting troubled families
 - Community Safety
 - You Decide
 - Music Project
- Havant Borough Council
 - Community Safety (Divert)
 - Local supporting troubled families
- Fareham Borough Council
 - Local supporting troubled families
- Hampshire Office of the Police & Crime Commissioner:
 - Operation Divert & YIP
 - Intensive Support Services
- European Social Fund / Skills Funding Agency / Barnardo's (NEET reduction/prevention)
- Lottery - We Big Local (Wecock Farm, Havant)
- Hampshire and Isle of Wight Charitable Foundation:
 - Apprentice Scheme in partnership with Youth Options
 - Film Project

MOTIV8 SOUTH LIMITED

TRUSTEES' REPORT (Continued) FOR THE YEAR ENDED 31 MARCH 2016

FINANCIAL REVIEW (CONTINUED)

Funding (continued)

- Schools and Colleges:
 - Portsmouth College
 - Hayling College
 - South Downs College
 - St Vincent's College
 - The Key Centre
 - Brune Park Community College
 - Henry Cort School
 - Brookfield School
 - Lord Wilson School
 - Cams Hill
 - Fareham Academy
 - Bay House School
 - Crofton School
 - Baycroft School
 - Park Community School, Havant
 - Bourne Community College
 - Jubilee School
 - Woodland School
- J Paul Getty Jr Charitable Foundation
- BBC Children in Need
- The Partnership Foundation
- Sir Jeremiah Coleman Trust
- Clothworker's Foundation
- Royal Navy Charitable Grant
- Shoosmiths

The Trustees also wish to thank all the individuals that have supported the organisation through regular and one off donations, including supporting fundraising events and through the donation of goods to Bicycle Recycling.

Asset cover for funds

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

Future plans

Having been working to a Business Plan 2013-2016 for the past three years, in summer 2015 Trustees and Officers started to develop the new Business Plan 2016-2020. This work built on the sustainable progress made over the past three years, but also recognised the changes in Government policy and the economic environment in which we operate. Another consideration has been the significant shift in other services available to young people and their families, plus the changing public attitudes towards charities.

With all of this in mind Motiv8 Trustees have approved the Business Plan 2016-2020 which sets out the organisation future plans over the next four years. The executive summary of this document is provided below, and a full copy is available by contacting the Motiv8 registered office.

MOTIV8 SOUTH LIMITED

TRUSTEES' REPORT (Continued) FOR THE YEAR ENDED 31 MARCH 2016

FINANCIAL REVIEW (CONTINUED) Motiv8 Business Plan 2016-2020

Executive Summary

Motiv8 is an independent, Portsmouth and Hampshire based charity that works to improve the life chances of young people and their families by providing high quality targeted support to those identified as being at greatest need. Work is based in the Community, in Schools and Colleges and supporting young people into Employment. Front line staff, both paid and unpaid, are based in geographical teams with emphasis placed on priority neighbourhoods identified using national data and local intelligence.

Mission

Motiv8 exists to improve the life chances of young people. We do this to reduce the risk of offending, anti-social behaviour and disengagement from learning or employment.

Vision

Our vision is a society where all young people are healthy, stay safe, enjoy and achieve, make a positive contribution and achieve economic well-being.

Values - our work is guided by the following values:

- Building **positive relationships and trust** with young people, their parents/carers; and wider stakeholders such as commissioners, referral agencies and partner organisations.
- Providing **high quality, reliable and supportive services** that meet **identified needs**.
- Actively promoting **consultation and participation** with young people, our staff, other organisations and the local community.
- Striving for **excellence through continuous improvement** and committing resources to **innovation and creativity**.
- Being a high quality employer, supporting and **investing in all our people**, including unpaid staff e.g. volunteers and students, to ensure that staff remain motivated.
- We want the very best for all young people and to achieve this **we do what we say**.

Strategic Objectives – our strategic objectives for the period 2016-2020 are to:

1. Be child, young person and family focused in all we do.
2. Deliver life chances that lead to positive outcomes.
3. Have a skilled and flexible work force.
4. Be sustainable.
5. Be a partner of choice.

Success Measures – we measure success against the following key measures:

- A reduction in the number of first time entrants to the youth criminal justice system
- A reduction in the re-offending rates among young people
- Improved attendance at secondary school, contributing to improved and accredited attainment both in school and beyond
- Young people over 16 progressing in Education or moving into Training or Employment.

MOTIV8 SOUTH LIMITED

TRUSTEES' REPORT (Continued) FOR THE YEAR ENDED 31 MARCH 2016

CHANGES IN FIXED ASSETS

The movements in fixed assets in the year are set out in note 12 to the financial statements.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The charity trustees are responsible for preparing a trustees' annual report and accounts in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company and charity 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 charitable company and group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that year.

In preparing these accounts, the trustees have:

- selected suitable accounting policies and then applied them consistently;
- observed the methods and principles in the Charities SORP;
- made judgements and estimates that are reasonable and prudent;
- stated whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepared the accounts 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 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 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 reappointed as auditors of the charity will be put to the annual general meeting.

Approved by the board of trustees on 17 June 2016 and signed on their behalf

TRUSTEE

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 2016 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Charitable Company Balance Sheets, the Consolidated and Parent Charitable Company Cash Flows and the related notes set out on pages 16 to 33. These accounts have been prepared under the accounting policies set out on page 19 to 22.

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 13 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.

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts. Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements 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 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion

In our opinion the accounts:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2016 and of its incoming resources and application of resources, including its income and expenditure, in 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 Companies Act 2006 and the Charities Act 2011.

Opinion on other matters 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.

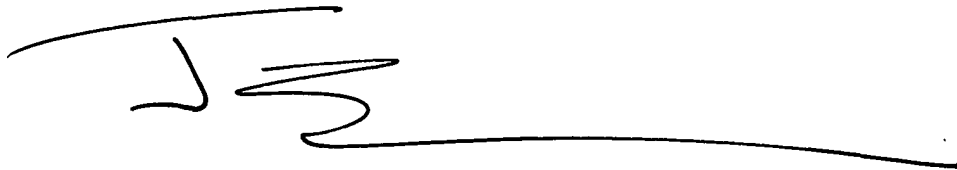
MOTIV8 SOUTH LIMITED

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 and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts of the parent company 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 PETER MILLETT ACA (Senior Statutory Auditor)
For and on behalf of Jones Avens

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

17 June 2016

MOTIV8 SOUTH LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2016

	Notes	Unrestricted Funds £	Designated funds £	Restricted funds £	Total 2016 £	Total 2015 £
Income:						
Donations	3	41,233	-	6,367	47,600	42,205
Income from charitable activities:						
Provision for services for Young people	4	1,110,010	-	82,126	1,192,136	1,403,773
Income from other trading activities:						
Bicycle Recycling South Limited	5	153,565	-	-	153,565	202,325
Income from investments	6	452	-	-	452	317
Total Income		1,305,260	-	88,493	1,393,753	1,648,620
Expenditure						
Expenditure on raising funds						
Income generation and publicity costs		38,922	-	-	38,922	39,337
Bicycle Recycling South Limited	5	152,208	-	-	152,208	200,530
Expenditure on charitable Activities						
Provision of services for Young people	7	1,123,810	-	67,126	1,190,936	1,406,088
Total Expenditure		1,314,940	-	67,126	1,382,066	1,645,955
Net income/(expenditure)		(9,680)	-	21,367	11,687	2,665
Transfer between funds	10	74,562	(71,680)	(2,882)	-	-
Net movement in funds		64,882	(71,680)	18,485	11,687	2,665
Reconciliation of funds						
Fund Balances at 1 April 2015		55,696	252,900	74,627	383,223	380,558
Fund Balances at 31 March 2016		120,578	181,220	93,112	394,910	383,223

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

The notes form part of these financial statements

MOTIV8 SOUTH LIMITED

CONSOLIDATED AND COMPANY BALANCE SHEETS AS AT 31 MARCH 2016

	Notes	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Fixed assets					
Tangible assets	12	229,863	202,900	229,863	202,900
Investment	13	-	-	1	1
Social investment	14	5,000	5,000	5,000	5,000
Total Fixed Assets		234,863	207,900	234,864	207,901
Current assets					
Stocks		5,105	5,363	-	-
Debtors	15	86,111	397,120	98,563	412,992
Cash at bank and in hand		270,337	161,214	253,988	147,515
Total Current Assets		361,553	563,697	352,551	560,507
Liabilities					
Creditors: amounts falling due within one year	16	(201,506)	(388,374)	(192,505)	(385,185)
Net current assets		160,047	175,323	160,046	175,322
Total assets less current liabilities		394,910	383,223	394,910	383,223
The funds of the Charity:					
Restricted funds	18	93,112	74,627	93,112	74,627
Unrestricted funds:					
Designated funds	19	181,220	252,900	181,220	252,900
Other charitable funds					
General fund		120,578	55,696	120,578	55,696
Total charity funds		394,910	383,223	394,910	383,223

The trustees have prepared group accounts in accordance with Section 398 of the Companies Act 2006 and Section 138 of the Charities Act 2011.

The accounts were approved by the Board on 17 June 2016



Professor Mark Button – Chair
Trustee

Company Registration No. 3512607
Charity Registration No. 1069085

The notes form part of these financial statements

MOTIV8 SOUTH LIMITED

STATEMENT OF CASH FLOWS AND CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDING 31 MARCH 2016

	Notes	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Net cash provided by(used in) Operating activities	22	143,078	2,089	140,428	(11,610)
Interest received		452	317	452	317
Proceeds from the sale of fixed assets		4,150	-	4,150	-
Purchase of fixed assets		(38,557)	(4,686)	(38,557)	(4,686)
Net cash (used in)/provided by investing activities		(33,955)	(4,369)	(33,955)	(4,369)
Increase/(decrease) in cash and cash equivalents in the year		109,123	(2,280)	106,473	(15,979)
Cash and cash equivalents at the beginning of the year		161,214	163,494	147,515	163,494
Total cash and cash equivalents at the end of the year		270,337	161,214	253,988	147,515

The notes form part of these financial statements

MOTIV8 SOUTH LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

Company information

Motiv8 South Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is 6 Queen Street, Portsmouth, Hampshire, PO1 3HL.

1.1 Accounting convention

These accounts have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS 102, the Companies Act 2006, the Charities Act 2011 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015. The charity is a Public Benefit Entity as defined by FRS 102.

The accounts have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The accounts are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Group financial statements

The financial statements consolidate the results of the charity and its wholly owned subsidiary, Bicycle Recycling South Limited, on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the charity has taken advantage of the exemption in section 408 of the Companies Act 2006.

1.3 Going concern

At the time of approving the accounts, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees' continue to adopt the going concern basis of accounting in preparing the accounts.

1.4 Charitable 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.

1.5 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

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

MOTIV8 SOUTH LIMITED

NOTES TO THE ACCOUNTS (Continued) FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies (Continued)

1.5 Incoming resources (continued)

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of Covenant is recognised at the time of the donation.

Donated services and facilities are included at estimated market value being the estimated value of the services or facility received.

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.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts.

1.6 Resources expended

Resources expended including 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.

1.7 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation and any impairment losses. 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	20-25% straight line
Motor vehicles	20 - 50% straight line

MOTIV8 SOUTH LIMITED

NOTES TO THE ACCOUNTS (Continued) FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies (Continued)

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/(expenditure) for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the charity becomes party to the contractual provisions of the instrument.

Financial assets are offset, with the net amounts presented in the account when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

MOTIV8 SOUTH LIMITED

NOTES TO THE ACCOUNTS (Continued) FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies (Continued)

1.10 Financial instruments (Continued)

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Leasing and hire purchase commitments

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

1.13 Investments

Fixed asset investments are stated at market value.

1.14 Stock

Stock is valued at the lower of cost and net realisable value.

1.15 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.

MOTIV8 SOUTH LIMITED

NOTES TO THE ACCOUNTS (Continued) FOR THE YEAR ENDED 31 MARCH 2016

2 Financial performance of the charity

The consolidated statement of financial activities includes the results of the charity's wholly owned subsidiary which operates cycle shops and provides training and employment opportunities for young people.

The summary financial performance of the charity alone is:

	2016 £	2015 £
Income	1,240,188	1,446,295
Gift Aid from subsidiary company	1,357	1,795
	<u>1,241,545</u>	<u>1,448,090</u>
Expenditure on raising funds	(38,922)	(39,337)
Expenditure on charitable activities	(1,190,936)	(1,406,088)
	<u>11,687</u>	<u>2,665</u>
Net income		
	<u>383,223</u>	<u>380,558</u>
Total funds brought forward		
	<u>394,910</u>	<u>383,223</u>
Total funds carried forward		
Represented by:		
Restricted income funds	93,404	74,627
Unrestricted designated funds	259,863	252,900
Unrestricted general funds	41,643	55,696
	<u>394,910</u>	<u>383,223</u>

3 Donations

	Unrestricted Funds £	Restricted funds £	Total 2016 £	Total 2015 £
Individual donations	10,720	6,367	17,087	11,155
Donated services and facilities	30,513	-	30,513	31,050
	<u>41,233</u>	<u>6,367</u>	<u>47,600</u>	<u>42,205</u>

Donated services and facilities comprise the estimated market value of legal services, peppercorn rents, vehicle maintenance and printing services. In the previous year there were restricted individual donations of £1,384, the balance of donations, of £40,821, were unrestricted.

The charity benefits greatly from the work of its volunteers, details of which are given in our annual report. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in these accounts.

MOTIV8 SOUTH LIMITED

NOTES TO THE ACCOUNTS (Continued) FOR THE YEAR ENDED 31 MARCH 2016

4 Income from charitable activities

	Unrestricted Funds £	Restricted funds £	Total 2016 £	Total 2015 £
Statutory local income	670,852	36,500	707,352	889,873
Charitable services and grants	434,815	45,626	480,441	503,631
Other income	4,343	-	4,343	10,269
	<u>1,110,010</u>	<u>82,126</u>	<u>1,192,136</u>	<u>1,403,773</u>
Unrestricted funds				1,276,351
Restricted funds				127,422
				<u>£ 1,403,773</u>

Included within income from charitable activities are the following:-

Statutory local income

Portsmouth City Council Integrated Targeted Youth Support Service	5,896	170,094
Portsmouth City Council Positive Activities	175,417	142,500
Hampshire County Council Youth Support Service	276,286	351,500
Hampshire County Council Children's Services Integrated Grant	-	19,969
Hampshire Office of the Police & Crime Commissioner		
Intensive Support Services	29,000	27,600
Operation Divert/YIP Programmes	30,000	18,643

Charitable services

Barnardo's Transform (Hampshire Intensive Family Support Service)	293,957	247,321
Barnardo's NEET Funding (Phase II)	100,705	151,447

Charitable grants

LandAid Charitable Trust Limited	-	50,000
J Paul Getty Jnr Trust	47,500	30,000

MOTIV8 SOUTH LIMITED

NOTES TO THE ACCOUNTS (Continued) FOR THE YEAR ENDED 31 MARCH 2016

5 Income from trading activities of subsidiary

Bicycle Recycling Limited operates community cycle venues in Portsmouth and Gosport carrying out servicing and repairs, second hand bike sales and bicycle maintenance. It also offers apprenticeships and opportunities to volunteer.

	Year ended 31 March 2016	16 January 2014 to 31 March 2015
	£	£
Income		
Bicycle sales, servicing, courses, merchandise and bike hire	118,053	100,396
Grants received	30,135	101,340
Other income	5,367	532
Interest received	10	57
	153,565	202,325
Expenditure		
Cost of sales	31,154	36,734
Salaries, wages and other staff costs	97,829	138,504
Utilities and support costs	23,225	25,292
	152,208	200,530
Net profit as per Subsidiary accounts	1,357	1,795
Amount distributed to charity	(1,357)	(1,795)
	-	-
Total assets	30,977	19,608
Total liabilities	(30,976)	(19,607)
Funds (representing share capital and reserves)	1	1

6 Investment income

	Unrestricted Funds	Restricted funds	Total 2016	Total 2015
	£	£	£	£
Interest receivable	452	-	452	317

NOTES TO THE ACCOUNTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2016

	Notes	Provision of Services to Young people £	Total 2016 £	Total 2015 £
Staff costs		958,597	958,597	1,159,247
Volunteer costs		1,603	1,603	2,872
Partners		47,050	47,050	33,800
Activities		44,679	44,679	55,599
Support costs	8	132,879	132,879	140,152
Governance costs	8	6,128	6,128	14,418
		1,190,936	1,190,936	1,406,088

	Support Costs	Governance Costs	2016	2015	Basis of allocation
	£	£	£	£	
Premises	74,110	-	74,110	74,838	Charitable
Communications	19,017	-	19,017	19,795	Charitable
Transport	15,565	-	15,565	15,432	Charitable
Computers	16,336	-	16,336	16,858	Charitable
Subscriptions	3,920	-	3,920	3,371	Charitable
Audit and accountancy	-	5,100	5,100	8,880	Governance
Legal and professional fees	-	-	-	3,828	Governance
Trustee indemnity insurance	-	1,028	1,028	1,710	Governance
Depreciation	11,594	-	11,594	14,555	Charitable
Profit on sale of fixed assets	(4,150)	-	(4,150)	-	Charitable
Other expenses	(3,513)	-	(3,513)	(4,697)	Charitable
	132,879	6,128	139,007	154,570	

Auditors remuneration		
Audit fees	4,670	6,612
Accountancy services	1,660	2,268
Overprovision in previous year	(1,230)	-
Bicycle Recycling South Limited	2,045	-
Depreciation	11,594	14,555
Profit on sale of fixed assets	(4,150)	-
Operating lease rentals – land and buildings	20,790	18,160
equipment	3,583	2,912

MOTIV8 SOUTH LIMITED

NOTES TO THE ACCOUNTS (Continued) FOR THE YEAR ENDED 31 MARCH 2016

9 Trustees

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

10 Transfers

The transfers in the year were as follows:

	Unrestricted Funds £	Designated Funds £	Restricted Funds £
Fixed assets fund	31,680	(31,680)	-
Depreciation transfers	2,882	-	(2,882)
People development and benefits package fund	5,000	(5,000)	-
Social enterprise fund	25,000	(25,000)	-
Premises fund	10,000	(10,000)	-
	74,562	(71,680)	(2,882)

11 Employees

Number of employees

The average monthly headcount was 75 employees (2015: 87). The average monthly number of employees during the year was

	2016 Number	2015 Number
Chief Executive	1	1
Direct Charitable Staff	44	52
Bicycle Recycling Staff	7	8
	52	61

Employment costs

	2016 £	2015 £
Wages and salaries	966,327	1,170,432
Social security costs	74,325	89,152
Other pension costs	9,714	8,603
	1,050,366	1,268,187

There were no employees whose annual remuneration was £60,000 or more. Total key management personnel compensation of the charity and of the group was £138,359 (2015: £135,701).

MOTIV8 SOUTH LIMITED

NOTES TO THE ACCOUNTS (Continued) FOR THE YEAR ENDED 31 MARCH 2016

12 Tangible fixed assets (Group and Company)

	Freehold Land & Buildings £	Leasehold Land & Buildings £	Computer Equipment £	Fixtures, fittings & Equipment £	Motor vehicles £	Total £
Cost						
At 1 April 2015	189,785	11,447	41,371	45,759	57,206	345,568
Additions	38,557	-	-	-	-	38,557
Disposals	-	-	-	-	-	-
At 31 March 2016	228,342	11,447	41,371	45,759	57,206	384,125
Depreciation						
At 1 April 2015	10,827	11,447	40,988	27,989	51,417	142,668
Charge for the year	3,186	-	383	2,594	5,431	11,594
Eliminated on disposal	-	-	-	-	-	-
At 31 March 2016	14,013	11,447	41,371	30,583	56,848	154,262
Net book value	214,329	-	-	15,176	358	229,863
At 31 March 2016						
At 31 March 2015	178,958	-	383	17,770	5,789	202,900

13 Fixed asset investments

Market value at 1 April 2015 and 31 March 2016

£

1

Historical cost:

At 31 March 2016 and 31 March 2015

1

MOTIV8 SOUTH LIMITED

NOTES TO THE ACCOUNTS (Continued) FOR THE YEAR ENDED 31 MARCH 2016

13 Fixed asset investments (continued)

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or Incorporation	Class	Shares held %
Subsidiary undertakings			
Bicycle Recycling South Limited	England and Wales (company number 8848765)	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial period were as follows:

Principle Activities	Capital and Reserves £	Profit/(loss) for the year ended 31 March 2016 £
Operation of Community Cycle Venues	1	-

Bicycle Recycling South Limited was incorporated on 16 January 2014.

14 Social investment Group and Company

	£
At 1 April 2015 and At 31 March 2016	5,000

Motiv8 South Limited owns 5,000 £1 shares in Portsmouth Area Regeneration Trust (IPS) Limited part of PARITY Trust which supports the regeneration of deprived areas of southern Hampshire by providing affordable loans to people who cannot access finance from mainstream organisations. The investment can be withdrawn upon giving six months notice and represents less than 5% of the called up share capital of the society.

15 Debtors

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Trade debtors	24,705	348,691	20,325	348,144
Amounts owed by group undertakings	-	-	21,976	16,419
Other debtors	502	1,789	502	1,789
Prepayments and accrued income	60,904	46,640	55,760	46,640
	86,111	397,120	98,563	412,992

MOTIV8 SOUTH LIMITED

NOTES TO THE ACCOUNTS (Continued) FOR THE YEAR ENDED 31 MARCH 2016

16 Creditors: amounts falling due within one year

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Trade creditors	14,650	29,215	12,813	27,989
Taxes and social security costs	20,718	24,079	17,435	22,117
Accruals	166,138	335,080	162,257	335,079
	<u>201,506</u>	<u>388,374</u>	<u>192,505</u>	<u>385,185</u>

Accruals includes deferred income of £142,674 (2015: £314,757) in respect of projects where funding has been received in advance of the following year.

17 Pension and other post-retirement benefit commitments Defined contribution

The company makes contributions on behalf of its employees into NEST Retirement Funds or into a Friends Provident Stakeholder Pension Scheme.

	2016 £	2015 £
Contributions payable by the company for the year	<u>9,714</u>	<u>8,603</u>

18 Restricted funds

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

	Movement in funds				
	Balance at 1 April 2015	Incoming resources	Resources expended	Transfers to General Funds	Balance at 31 March 2016
Toronto Place					
LandAid Charitable Trust Limited	57,241	-	-	(916)	56,325
The Clothworkers' Foundation	-	15,000	-	-	15,000
Buy A Brick campaign	-	6,367	-	-	6,367
Other	350	-	-	-	350
OPCC	-	30,000	(30,000)	-	-
BBC Children in Need	-	18,402	(18,402)	-	-
Bicycle Recycling	15,727	-	-	(1,966)	13,761
J Paul Getty Junior Charitable Trust	-	7,500	(7,500)	-	-
Hampshire and Isle of Wight Community Foundation	-	4,724	(4,724)	-	-
PCC Capacity & Transition Fund	-	4,500	(4,500)	-	-
Other	1,309	2,000	(2,000)	-	1,309
	<u>74,627</u>	<u>88,493</u>	<u>(67,126)</u>	<u>(2,882)</u>	<u>93,112</u>

LandAid Charitable Trust Ltd donated £9,500 to install and equip a kitchen at Toronto Place, Gosport. Last year LandAid awarded a grant of £50,000 for a new build ground floor extension to Toronto Place. Building has commenced and will be completed in the next financial year.

MOTIV8 SOUTH LIMITED

NOTES TO THE ACCOUNTS (Continued) FOR THE YEAR ENDED 31 MARCH 2016

18 Restricted funds (continued)

The Clothworkers' Foundation have awarded a grant of £15,000 towards the building extension at Toronto Place.

The Buy A Brick Campaign has raised £6,367 towards the building extension at Toronto Place.

The Office of the Police & Crime Commissioner (OPCC) donated £30,000 for Divert Project/YIP Programmes during the year.

BBC Children in Need have awarded a grant of £74,014 over three years from 1 July 2015. The grant is to support young people with behavioural issues and living in families on low incomes with 1-2-1 and group sessions and trips out to improve confidence, develop life skills and better peer relationships.

Portsmouth City Council donated Fixtures, Tools and Equipment to the Community Cycle Hub valued at £17,693. The fund will be released over nine years from 1 April 2014 to match the contract and the depreciation charged.

The J. Paul Getty Jr Charitable Trust has donated £60,000 over a two year period to provide targeted support for vulnerable young people with effect from July 2013.

Hampshire and Isle of Wight Community Foundation made two awards in the year for a film project.

Portsmouth City Council provided £4,500 from their Voluntary Sector Capacity & Transition Fund for the reconfiguration and enhancement of services. This was utilised in the year.

The Big Lottery Fund Awards for All has contributed £9,093 for Positive Activities – Breaking Down Barriers. This will fund a new weekly youth group in Portsmouth to encourage community integration and cohesion commencing 1 April 2016.

19 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	Incoming	Transfers	Balance at 31
	1 April 2015	resources	(to)/from General Fund	March 2016
Fixed assets fund	202,900	-	(31,680)	171,220
People development and benefits				
Package funds	5,000	-	(5,000)	-
Social enterprise fund	30,000	-	(25,000)	5,000
Premises fund	15,000	-	(10,000)	5,000
	<u>252,900</u>	<u>-</u>	<u>(71,680)</u>	<u>181,220</u>

The fixed asset fund is an amount equivalent to the net book value of fixed assets at the balance sheet date, excluding assets represented by restricted fund balances.

Designations of £5,000 have been made for the social enterprise and premises fund.

MOTIV8 SOUTH LIMITED

NOTES TO THE ACCOUNTS (Continued) FOR THE YEAR ENDED 31 MARCH 2016

20 Analysis of net assets between funds Group

	Unrestricted Funds £	Designated funds £	Restricted funds £	Total £
Fund balances at 31 March 2016 are represented by:				
Tangible fixed assets	-	171,220	58,643	229,863
Social investment	5,000	-	-	5,000
Net current assets	115,578	10,000	34,469	160,047
	<u>120,578</u>	<u>181,220</u>	<u>93,112</u>	<u>394,910</u>

Company	Unrestricted Funds £	Designated funds £	Restricted funds £	Total £
Fund balances at 31 March 2016 are represented by:				
Tangible fixed assets	-	171,220	58,643	229,863
Investments	1	-	-	1
Social investment	5,000	-	-	5,000
Net current assets	115,577	10,000	34,469	160,046
	<u>120,578</u>	<u>181,220</u>	<u>93,112</u>	<u>394,910</u>

21 Commitments under operating leases

At 31 March 2016 the company had annual commitments under non-cancellable operating leases as follows:

	Land and Buildings		Other	
	2016 £	2015 £	2016 £	2015 £
Expiry date:				
Within one year	7,142	4,580	-	-
Between two and five years	6,000	6,000	3,768	2,912
	<u>13,142</u>	<u>10,580</u>	<u>3,768</u>	<u>2,912</u>

MOTIV8 SOUTH LIMITED

NOTES TO THE ACCOUNTS (Continued) FOR THE YEAR ENDED 31 MARCH 2016

22 Reconciliation of net movement in funds to net cash flow from operating activities:

	Notes	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Net movement in funds		11,687	2,665	11,687	2,665
Adjustments for:					
Depreciation charges		11,594	14,555	11,594	14,555
Profit on sale of fixed assets		(4,150)	-	(4,150)	-
Interest received		(452)	(317)	(452)	(317)
Decrease/(increase) in stock		258	(452)	-	4,933
Decrease/(increase) in debtors		311,009	(285,381)	314,429	(301,275)
Increase/(decrease) in creditors		(186,868)	271,019	(192,680)	267,829
Net cash provided by operating activities		143,078	2,089	140,428	(11,610)

23 Capital commitments

At 31 March 2016 the company was committed to further expenditure of £36,000 on a building extension for which restricted funds are held.

24 Legal status of the company

The company is limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1.

25 Related Party Transactions

Other than those transactions already disclosed between the charity and its wholly owned subsidiary, there were no other related party transactions which require disclosure.