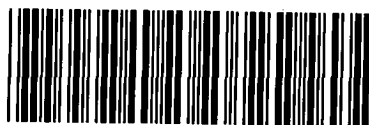


Charity Registration No. 1069085

Company Registration No. 03512607 (England and Wales)

MOTIV8 SOUTH LIMITED
TRUSTEES' REPORT AND CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2018

FRIDAY



A7JTT7ZL

A20

30/11/2018

#39

COMPANIES HOUSE

MOTIV8 SOUTH LIMITED

CONTENTS

	Page
Legal and administrative information	1 - 2
Trustees' report	3 – 13
Independent auditors' report	14 – 16
Consolidated statement of financial activities	17
Consolidated and company balance sheets	18
Statement of cash flows and consolidated statement of cash flows	19
Notes to the accounts	20 – 36

MOTIV8 SOUTH LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Professor Mark Button
Portia Charles
Steve Dimon
Valerie Hopkins – Chair
Steve Miller
Mark Mitchell
Lisa Sigalet
Julian Titmuss – Vice Chair

Resources Sub Group

Professor Mark Button
Steve Dimon
Steve Miller
Julian Titmuss - Chair

Officers in attendance

Charlie Adie
Clare Ansell
Marina Tuck
Karen Yeung

Joint Chief Executive

Charlie Adie
Clare Ansell

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
1 Balloon Street
Manchester
M60 4EP

Solicitors

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

MOTIV8 SOUTH LIMITED

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2018

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 2018.

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:

Professor Mark Button	retired as Motiv8 Chair 23 rd November 2017, but remains a Trustee
Portia Charles	appointed 22 nd February 2018
Steve Dimon	Chair of Bicycle Recycling South (BRS) Ltd Board
Valerie Hopkins	Chair of Motiv8 Board since 23 rd November 2017
Steve Miller	appointed 23 rd May 2018
Mark Mitchell	Chair of Service Delivery and Development sub-group
Jo Purdy	retired 23 rd November 2017
Lisa Sigalet	(maternity leave)
Adam Swanson	retired 23 rd November 2017
Julian Titmuss	Chair of Resources sub-group and Vice Chair of Motiv8 Board

Observer to the Board, who served during the year:

Lady Louisa Portal	(appointed as President of Motiv8, 24 th November 2016)
Councillor Ryan Brent	

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, or a designated trustee, 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. The organisation continues to seek new Trustees who can complement the existing Board, and expects to make further appointments during the next twelve months. 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.

Trustees wish to express sincere thanks to two trustees who retired at the AGM in November 2017. Jo Purdy joined in 2011 bringing a wealth of experience as a practitioner and manager working with those

MOTIV8 SOUTH LIMITED

TRUSTEES' REPORT (Continued) FOR THE YEAR ENDED 31 MARCH 2018

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

Trustees (continued)

affected by substance misuse. During the time that Jo served as a trustee with Motiv8 her other work went through a series of changes resulting in less available time for other commitments, but the organisation remains linked to Jo through her professional contacts and work supporting vulnerable young people. Adam Swanson got involved with Motiv8 in 2014 when he moved into accommodation close to Motiv8's main office and became aware of the work of the charity. As a young entrepreneur Adam brought a mix of commercial insight and a fresh outlook to many of the challenges facing the organisation. Following a move to an international firm taking Adam away from Portsmouth he was no longer able to attend Board meetings. Motiv8 Trustees wish both Jo and Adam the very best for the future.

At the November 2017 AGM Professor Mark Button stepped down following 14 years as Chair of Motiv8. Mark has been instrumental in steering the charity through a series of developments including the very significant impact on funding brought about through three changes in government, helping to attract diverse and effective leadership through the appointment of new trustees, the move from being based in a single office premises to having a strong community based presence across South East Hampshire, professional expertise in criminology which links to the charity's Objects, providing challenge and support through regular meetings with senior officers. Trustees would like to thank Mark for this enormous contribution, and are delighted that he continued to serve as a trustee. Simultaneous to Mark stepping down, Valerie Hopkins was unanimously appointed as new Chair of Motiv8. Valerie brings a wealth of experience both in the charity world, having served as a trustee for a number of charities including national youth charity Fairbridge and its subsequent move into Princes Trust, and also professionally as a Chartered Accountant, trained Counsellor and experienced HR professional.

The Board maintains a structure of sub-groups preceding each full Board meeting, currently there are two:

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

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.

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. During the year ending 31st March 2018, a series of such 'task and finish' meetings took place. 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. The current BRS Board made up of 1 Trustee of Motiv8, 1 senior officer of Motiv8 and 1 independent member ensures scrutiny and accountability to Motiv8. The recruitment of additional independent trustees to the BRS Board has been identified as a priority. In addition to this a link Trustee for Motiv8, Steve Miller, who is not a director of BRS has also been appointed to attend BRS Board meetings. As with the Motiv8 Board, directors of BRS regularly review membership and seek to attract new directors as required to complement their skill set.

Lady Louisa Portal MBE DL, former High Sheriff of Hampshire, continues to act as President for the charity having been appointed to this role in 2016. The Trustees would like to thank her for her commitment and support of the charity, and for helping to raise the profile of the organisation, and in doing so serve more people.

MOTIV8 SOUTH LIMITED

TRUSTEES' REPORT (Continued) FOR THE YEAR ENDED 31 MARCH 2018

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

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

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, safeguarding, financial performance, 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.

Trustees take a lead on reviewing risk, and having assessed and categorised risk to which the charity is exposed. During the financial year 2017/18 there was continued scrutiny of the financial systems in place across the organisation, which resulted in a restructure of the back office functions of the organisation including the Finance Team and bringing in professional external financial support. In view of the challenging financial circumstances facing Motiv8 and most other smaller charities, trustees are committed to working closely with senior officers to ensure that rigorous due diligence is undertaken prior to new work being taken on and that appropriate strategies are adopted to mitigate and manage any financial risks identified.

OBJECTIVES AND ACTIVITIES

Charitable objects

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

Charity's aims

Motiv8 achieves the charity's objects primarily through direct service provision to young people and their families. Young people are those aged 9-24, with historically a focus on those aged 13-19. Direct service provision is a combination of providing:

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

Targeted and Intensive 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 a mix of Community Based Teams, commissioned activity and through its wholly owned social enterprise, Bicycle Recycling. 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

MOTIV8 SOUTH LIMITED

TRUSTEES' REPORT (Continued) FOR THE YEAR ENDED 31 MARCH 2018

OBJECTIVES AND ACTIVITIES (CONTINUED)

Charity's aims (continued)

Based Team has local partnership arrangements. Since April 2017 Motiv8 has been a direct commissioned provider for Hampshire County Council delivering intensive family support across the whole of Hampshire, an arrangement that for the previous four years had been as part of the Transform consortium, led by national charity Barnardo's.

At all times Motiv8 aims to be a leader and innovator in its field as well as the local partner of choice for targeted youth work aimed at supporting vulnerable young people and their families. Our approach to delivery emphasises prevention and early help.

Charity's strategic objectives

For the financial year 2017/18 Motiv8 was guided by the Motiv8 Business Plan 2016-2020. This published document sets out five key strategic objectives, namely:

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.

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. Trustees are committed to using charitable resources, and where necessary using reserves wisely, to ensure that the charity delivers high quality services that achieve the charity's Objects, Aims and Objectives and make a positive impact.

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 maintaining financial viability through cost recovery from trading and fund raising.

Throughout 2017/18, 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.

Much of the charity's work is delivered through **community based teams** offering a mix of diversionary, developmental and targeted provision in each of the 3 functional headings. Following a restructure in summer 2017 the previously separate teams of Portsmouth and Havant were combined under one Services Manager, with an appointed Coordinator for each geographic area but with more flexibility to share team resources. This combined Havant and Portsmouth Team sits alongside the Gosport and Fareham Team.

Since April 2017 and the re-commissioning by Hampshire County Council of their Intensive Family Support Service, Motiv8 has had a dedicated **Intensive Family Support Service (IFSS)** and has become the largest single commissioned provider of IFSS in Hampshire. The Team led by a dedicated Services Manager has an administrative base in Fareham Civic Offices but operates countywide. Delivery is measured against six key indicators which include attendance at school, accessing employment, reduced Police involvement and criminality, as well as monitoring a range of health and vulnerability factors. Smooth operation is reliant on receiving a steady flow of nominations which is not always the reality. Capacity can be accommodated all the time the service is ongoing but as we move closer to the end of the contract in 2019/20 care is needed to ensure sufficient resources to meet demand is balanced against reducing income and this will need careful management to mitigate financial risk.

MOTIV8 SOUTH LIMITED

TRUSTEES' REPORT (Continued) FOR THE YEAR ENDED 31 MARCH 2018

OBJECTIVES AND ACTIVITIES (CONTINUED)

Principal activities (continued)

In 2011 Motiv8 took the strategic decision to develop social enterprise as a model to deliver the charity's objects through a self-sustaining business providing direct benefit to young people. **Bicycle Recycling**, Motiv8's wholly owned trading subsidiary, provides training and job opportunities for young people some of whom have been involved with Motiv8's other provision. For the academic year starting September 2017 there has been a growing emphasis on delivering both an Under 16 and an Over 16 bike maintenance training programme which includes targeted support to young people on Education, Health and Care Plans.

All of the delivery described above achieves the charity's strap line providing 'Life Chances for Young People' and increasingly meeting the needs of the whole Family. 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 to the work of the charity.

ACHIEVEMENTS AND PERFORMANCE

Motiv8 measures its impact through a mix of quantitative and qualitative data. For the year 2017/18:

- **Motiv8 worked with over 2000 young people** through a diverse range of activities, with an increasing proportion being recipients of targeted or intensive support as below.
- 222 young people received dedicated **one-to-one targeted support**, leading to the following outcomes:
 - 94% of young people said they achieved their aim,
 - 88% had a measurable increase in their confidence,
 - 100% of young people rated the programme as either excellent or good.
- 297 young people supported through **targeted group sessions including work in schools**, leading to the following outcomes:
 - 83% achieved their aim,
 - 72% said they are keeping out of trouble with the Police,
 - 86% are more confident,
 - 89% have improved behaviour at school.
- 546 young people supported with **targeted youth hubs**, leading to the following survey feedback:
 - 98% said that they always or most of the time enjoy the sessions,
 - 96% said that the venue is clean and tidy,
 - a typical comment 'When I have a problem all of the staff listen and help me.'
 - targeted support offered in a wide range of topics including: relationships, emotional health, alcohol and drug awareness, education and training, sexual health.
 - outcomes of work include: reductions in risky behaviour, improved relationships, reductions in self-harm, anger management, increase in self-esteem and confidence, accessing education, training and employment, improved sexual health knowledge.
- 228 families supported through Family Support, leading to the following outcomes within the **targeted family support service**:
 - 88% had no further involvement with the Police,
 - 97% improved confidence/self-esteem,
 - 97% improved family relationshipsand these outcomes within our **intensive family support service**:
 - 100% of cases acknowledged and accepted within 2 working days,
 - 97% of families happy with their family plan,
 - 93% remain engaged over 3 months.

MOTIV8 SOUTH LIMITED

TRUSTEES' REPORT (Continued) FOR THE YEAR ENDED 31 MARCH 2018

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Data and outcomes tell part of the story, but it is often the comments from young people and families that can really capture what support from Motiv8 means. The following are a few comments from recipients of the family support service in their exit evaluations:

- "The support has given me the confidence to push forward."
- "I now know that there is amazing help out there. My support worker has given me a bit of my strength back. I feel more organised and will never get myself in a rut again."
- "The school now see my son with potential and not naughty, he would have been expelled by now without the support"
- "Before the support our family life had just got out of control, we were not functioning as a proper family. Now I have my son back and life is great."

In addition to producing quantitative and qualitative data, Motiv8 reviews progress against the 5 Strategic Objectives in the Business Plan:

1. **Be child, young person and family focused in all we do**

This objective forms a strategic underpinning for the organisation and has prompted specific activities:

- Motiv8 has defined the role of Family Support within the organisation, as recognising the benefit of working in a whole family approach when supporting children and young people.
- Working to develop parent engagement both through formal and informal family support, and identifying suitable training for staff such as Family Links as a way to reinforce this work.
- Embed customer satisfaction measures across the organisation, to provide a clear voice to both young people, families and partner organisations.

2. **Deliver life chances that lead to positive outcomes**

Across the organisation delivering Life Chances and the associated positive outcomes have become foundational to all we do, examples include:

- Motiv8 schools delivery provides social development programmes leading to improved school attendance and accredited outcomes.
- Motiv8 emotional wellbeing services provide a constructive outlet for young people to share their feelings and explore options.
- Motiv8 family support offers families a structured plan leading to improved school attendance, reduced anti-social behaviour and improved health and emotional wellbeing.
- Bicycle Recycling's education and employment pathway provides work experience, qualifications and an accessible route into work.

All of the above are reinforced by clear models of practice to provide an evidence base to support work.

3. **Have a skilled and flexible work force**

Motiv8's work is only possible through the dedication and hard work of its staff, both paid and unpaid. An important aspect is to ensure effective continuous professional development (CPD) and all staff have a tailored training plan which is resourced by the organisation. This starts with new staff induction which includes a mix of formal training, shadowing and gaining on the job experience. Motiv8 encourages development within the organisation, as well as seeking to attract high quality staff that will complement the existing team. In February 2018 Motiv8 renewed its Investors in People accreditation which was first undertaken in 2003. The awarding report highlighted 'Living the Values' and 'Managing Performance' as key strengths. An action plan arising from the audit will ensure that 'Reward and Recognition' is enhanced.

4. **Be sustainable**

As for many other voluntary sector organisations, Motiv8 has faced a challenging financial environment in which to operate. Having benchmarked the organisation against its 5 most similar youth charities in the region, all reported deficits in at least 2 of the past 5 years with some seeing over 50% reduction in delivery and turnover. Motiv8 has maintained delivery to ensure impact to meet the needs of some of the most vulnerable within the communities we serve; trustees have sought to use reserves wisely to achieve this and as such they have been reduced to base level. We are working towards ensuring financial sustainability and achieving a secure cash flow situation.

MOTIV8 SOUTH LIMITED

TRUSTEES' REPORT (Continued) FOR THE YEAR ENDED 31 MARCH 2018

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

4. Be sustainable (continued)

In summer 2017 the organisation embarked on a series of measures to ensure long term sustainability, some of which had an in year impact and others are part of the 5 year plan including:

- focus on private income generation, following 2 rounds of recruitment we appointed an experienced Fundraising Manager in summer 2018.
- revisited the allocation of infrastructure costs across the organisation, resulting in a restructure which from April 2017 to April 2019 delivers 40% direct savings on back office costs.
- brought in external financial expertise and streamlined systems.
- continue to develop social enterprise Bicycle Recycling to both deliver the charity's objects and provide a growing return on investment.

5. Be a partner of choice

The ability to build and maintain effective relationships remains a core value of the organisation at all levels, whether this is supporting young people and families, linking up with the myriad of delivery partners or developing partnership approaches to attract new resources to tackle some of the most entrenched and emerging challenges. Examples of this include:

- Motiv8 working with Portsmouth City Council plus 2 other charities, Barnardo's and Home Start, to develop a pilot programme of Reunification supporting young people in care being reunited with their birth family. The success of the pilot led to the recommissioning of the programme in 2017/18 and 2018/19, and it is anticipated to continue.
- In April 2017 Motiv8 became the single largest provider of Intensive Family Support across Hampshire, having been awarded work in all 10 commissioning areas by Hampshire County Council.
- Motiv8 schools delivery continues to partner with over 20 different schools. Despite continued pressure on school budgets they choose to commission Motiv8 delivery as it delivers excellence for their young people.
- In September 2017 Bicycle Recycling was chosen to partner international bike share experts Next Bike in a scheme with Portsmouth City Council. Based on interest in this work the Royal Navy is looking to increase its partnership involvement in 2019. All of this creates further job and apprentice opportunities for young people plus generating profit that is gifted back to Motiv8 as parent charity.
- By maintaining a continuous presence in some of our most deprived local communities, Motiv8 is able to support 'at risk' young people by securing funds from a range of sources to support this work. The effect of this is to enhance the impact of our work through a multiplier effect, which is one of the principal reasons why local agencies see us a 'provider of choice' for the kind of work we undertake.

FINANCIAL REVIEW

The Consolidated Statement of Financial Activities for the year ended 31st March 2018 is set out on page 17 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 £1,242,380 for the year of which £1,038,181 was unrestricted and £204,199 was restricted. There was a total deficit of £88,192 of which £55,308 was unrestricted. At 31st March 2018 there were total funds of £330,364 of which £64,881 was restricted, £229,346 was designated and £36,137 was unrestricted.

The trustees are disappointed that Motiv8 has reported a deficit on unrestricted funds for the year. The deficit can be attributed to (i) pressures on income, (ii) as regards traded services, demands from the market place to deliver more for less, and (iii) contractual obligations resulting in time delays in achieving cost reductions. As a consequence of the deficit cash resources have been depleted making it more challenging to manage cash flow moving forward.

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

MOTIV8 SOUTH LIMITED

TRUSTEES' REPORT (Continued) FOR THE YEAR ENDED 31 MARCH 2018

FINANCIAL REVIEW (CONTINUED)

Policy (continued)

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 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.

While the reserve policy outlined above remains in place and the trustees aspire to maintain its objectives the current political and financial climate has presented Motiv8 with challenges over the last year. As with many charities operating in the sector providing help to disadvantaged young people the cutback in public sector funding has led to a fall in margins in traded services with the consequent negative impact on liquid funds.

It remains the prime objective of the trustees to continue providing Motiv8's services to young people who so desperately need them. In order to remedy the strain on cash resources outlined above the trustees are therefore actively putting the following strategies in place to remedy the situation:

1. A professional fund raiser was employed in July 2018 and although it is early days to form an objective view on the long term success of this strategy, early indications are promising in that the funding first quarter's budget 2018/19 was not only achieved but was above target.
2. Ways will be explored to free up some of the reserves held in fixed assets.
3. Contracts on traded services will be structured to ensure that any extra costs of work provided will be recouped wherever possible.
4. Costs are monitored continuously and rationalisation will continue wherever possible without impeding the services provided.

BRS, Motiv8's bicycle recycling subsidiary is forecast to increase its contribution which, alongside the strategies outlined above, will further support the core services of the charity.

At 31st March 2018 funds totalling £229,346 have been designated by the trustees in respect of funds represented by fixed assets. More information on these funds is given in note 20 to the accounts.

Funding

Motiv8 place great significance on partnership working. Trustees acknowledge the contribution of the following organisations that have supported Motiv8 over 2017/18 and without whom the charity would be unable to operate:

- Hampshire County Council
 - Intensive Family Support Service, Children's Services 0-19 Grants, Culture & Communities, Traded 1-1 support & inclusion groups.
- Portsmouth City Council
 - Positive Activities, Reunification (via Barnardo's), Traded 1-1 support.

MOTIV8 SOUTH LIMITED

TRUSTEES' REPORT (Continued) FOR THE YEAR ENDED 31 MARCH 2018

FINANCIAL REVIEW (CONTINUED)

Funding (continued)

- Gosport Borough Council
 - Local supporting troubled families, Community Safety.
- Havant Borough Council
 - Community Safety (some via SDAS), Local supporting troubled families.
- Fareham Borough Council
 - Local supporting troubled families.
- Hampshire Office of the Police & Crime Commissioner:
 - Operation Divert & targeted 1-2-1, Intensive Support Services.
- Armed Forces Covenant Fund (via Relate Portsmouth)
- Hampshire and Isle of Wight Community Foundation:
 - Solent Community Fund, U Matter (some via Relate Portsmouth)
- Schools and Colleges:
 - St Edmunds School, Harbour School Portsmouth, Virtual School Portsmouth.
 - Hayling College, South Downs College, Park Community School, Woodland School.
 - St Vincent's College, The Key Centre, Brune Park Community College, Bay House School.
- - Brookfield School, Lord Wilson School, Cams Hill, Fareham Academy.
- - The Bridge Eastleigh, Virtual School Southampton.
- BBC Children in Need
- Sir Jeremiah Coleman Trust
- Quilter Cheviot
- Gosport Rotary Club
- Brockhurst Baptist Church
- Vivid Housing
- Lennox Hannay Charitable Trust
- Royal Marines Cadet Corps
- Wessex Heritage Trust
- Paulsgrove Community Association
- Paulsgrove and Wymering Trust
- Royal Navy Charitable Grants, including RNRMC and RN&RM Sports Lottery
- CSW Group (Careers South West) for delivery of ESF project
- No Limits
- Wave 105 'Cash for kids'
- Pompey in the Community 'youth unite'
- Services provided by: Condor Office Solutions, 1st Computer Services, Fast Track Garage Services

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

Trustees continue to review the organisations future plans against the approved Business Plan 2016-2020 against which there is a detailed Action Plan, plus the enhanced 5 year cash flow forecast. The executive summary is provided below.

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

MOTIV8 SOUTH LIMITED

TRUSTEES' REPORT (Continued) FOR THE YEAR ENDED 31 MARCH 2018

FINANCIAL REVIEW (CONTINUED)

Motiv8 Business Plan 2016-2020 (continued)

Executive Summary (continued)

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.
- To operate with a balanced budget that achieves long term financial sustainability.

CHANGES IN FIXED ASSETS

The movements in fixed assets in the year are set out in note 13 to the financial statements.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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 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 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;

MOTIV8 SOUTH LIMITED

TRUSTEES' REPORT (Continued) FOR THE YEAR ENDED 31 MARCH 2018

STATEMENT OF TRUSTEES' RESPONSIBILITIES (continued)

- 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 21 November 2018 and signed on their behalf



Valerie Hopkins - Chair
Trustee

MOTIV8 SOUTH LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MOTIV8 SOUTH LIMITED

Opinion

We have audited the financial statements of Motiv8 South Limited for the year ended 31 March 2018 which comprise the Consolidated Statement of Financial Activities, the Group and Charity Balance Sheets, the Consolidated Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (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 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2018 and of the group's net movement in funds, including the 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Trustees for the financial statements

As explained more fully in the Trustees' responsibilities statement set out on pages 12 and 13, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

MOTIV8 SOUTH LIMITED

INDEPENDENT AUDITORS' REPORT (Continued) TO THE MEMBERS OF MOTIV8 SOUTH LIMITED

Auditor's responsibilities for the audit of the financial statements (continued)

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Annual Report (which incorporates the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report (which incorporates the directors' report) has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report, (which incorporates the directors' report).

MOTIV8 SOUTH LIMITED

INDEPENDENT AUDITORS' REPORT (Continued) TO THE MEMBERS OF MOTIV8 SOUTH LIMITED

Matters on which we are required to report by exception (continued)

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 required us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures or 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 Limited

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

21 November 2018

MOTIV8 SOUTH LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2018

	Notes	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
Income:						
Donations	3	38,222	-	5,250	43,472	79,100
Income from charitable activities:						
Provision for services for Young People and Families	4	794,380	-	186,449	980,829	1,003,375
Income from other trading activities:						
Bicycle Recycling South Limited	5	205,429	-	12,500	217,929	235,520
Income from investments	6	150	-	-	150	338
Total Income		1,038,181	-	204,199	1,242,380	1,318,333
Expenditure						
Expenditure on raising funds						
Income generation and publicity Costs		38,474	-	-	38,474	35,827
Bicycle Recycling South Limited	5	204,021	-	12,500	216,521	214,040
Expenditure on charitable Activities						
Provision of services for Young People and Families	7	859,169	-	216,408	1,075,577	1,044,820
Total Expenditure		1,101,664	-	228,908	1,330,572	1,294,687
Net (expenditure)/income		(63,483)	-	(24,709)	(88,192)	23,646
Transfer between funds	11	8,175	(4,293)	(3,882)	-	-
Net movement in funds		(55,308)	(4,293)	(28,591)	(88,192)	23,646
Reconciliation of funds						
Fund Balances at 1 April 2017		91,445	233,639	93,472	418,556	394,910
Fund Balances at 31 March 2018		36,137	229,346	64,881	330,364	418,556

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 2018

	Notes	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Fixed assets					
Tangible assets	13	291,917	295,093	286,449	292,037
Investment	14	-	-	1	1
Social investment	15	5,000	5,000	5,000	5,000
Total Fixed Assets		296,917	300,093	291,450	297,038
Current assets					
Stocks		21,013	10,495	-	-
Debtors	16	125,448	140,247	139,166	167,752
Cash at bank and in hand		349,126	124,955	337,112	95,387
Total Current Assets		495,587	257,697	476,278	263,139
Liabilities					
Creditors: amounts falling due within one year	17	(462,140)	(157,234)	(441,828)	(144,677)
Net current assets		33,447	118,463	34,450	118,462
Total assets less current liabilities		330,364	418,556	325,900	415,500
The funds of the Charity:					
Restricted funds	19	64,881	93,472	64,881	93,472
Unrestricted funds:					
Designated funds	20	229,346	233,639	223,878	230,583
Other charitable funds					
General fund		36,137	91,445	37,141	91,445
Total charity funds		330,364	418,556	325,900	415,500

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 21 November 2018


Valerie Hopkirk – 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 2018

	Notes	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Net cash provided by operating activities	23	238,081	77,516	251,543	94,114
Interest received		150	338	150	338
Proceeds from the sale of fixed assets		-	7,200	-	7,200
Purchase of fixed assets		(14,060)	(75,359)	(9,968)	(72,025)
Net cash used in investing activities		(13,910)	(67,821)	(9,818)	(64,487)
Increase in cash and cash equivalents in the year		224,171	145,382	241,725	158,601
Cash and cash equivalents at the beginning of the year		124,955	270,337	95,387	253,988
Total cash and cash equivalents at the end of the year		349,126	124,955	337,112	95,387

The notes form part of these financial statements

MOTIV8 SOUTH LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

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 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 2018

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.

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	10-25% straight line
Motor vehicles	20 - 50% straight line

MOTIV8 SOUTH LIMITED

NOTES TO THE ACCOUNTS (Continued) FOR THE YEAR ENDED 31 MARCH 2018

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 2018

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 2018

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:

	2018 £	2017 £
Income	1,036,951	1,102,216
Gift Aid from subsidiary company	-	18,424
	<u>1,036,951</u>	<u>1,120,640</u>
Expenditure on raising funds	(38,474)	(35,827)
Expenditure on charitable activities	(1,088,077)	(1,064,223)
	<u>(89,600)</u>	<u>20,590</u>
Net (expenditure)/income		
	<u>415,500</u>	<u>394,910</u>
Total funds brought forward		
	<u>325,900</u>	<u>415,500</u>
Total funds carried forward		
Represented by:		
Restricted income funds	64,881	93,472
Unrestricted designated funds	223,878	230,583
Unrestricted general funds	37,141	91,445
	<u>325,900</u>	<u>415,500</u>

3 Donations

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
Individual donations	9,420	5,250	14,670	23,215
Donated services and facilities	28,802	-	28,802	55,885
	<u>38,222</u>	<u>5,250</u>	<u>43,472</u>	<u>79,100</u>

Donated services and facilities comprise the estimated market value of legal services, peppercorn rents, vehicle maintenance, printing services, building works, computer support and furniture. In the previous year there were restricted individual donations of £10,153, the balance of donations, of £68,947, 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 2018

4 Income from charitable activities

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
Statutory local income	748,344	95,323	843,667	587,733
Charitable services and grants	41,198	91,126	132,324	407,721
Other income	4,838	-	4,838	7,921
	<u>794,380</u>	<u>186,449</u>	<u>980,829</u>	<u>1,003,375</u>
Unrestricted funds				851,298
Restricted funds				152,077
				<u>1,003,375</u>

Included within income from charitable activities are the following:-

Statutory local income		
Portsmouth City Council Positive Activities	19,688	106,146
Hampshire County Council Youth Support Service	2,990	180,249
Hampshire Office of the Police & Crime Commissioner		
Intensive Support Services	24,117	29,000
Operation Divert/YIP Programmes	71,206	30,000
Hampshire County Council 0-19 Children's Services Gosport	78,650	-
Hampshire Intensive Family Support Service	343,510	-
Charitable services		
Barnardo's Transform	-	299,606
Charitable grants		
BBC Children in Need	24,868	24,495
Quilter Cheviot Foundation	40,000	20,000

MOTIV8 SOUTH LIMITED

NOTES TO THE ACCOUNTS (Continued) FOR THE YEAR ENDED 31 MARCH 2018

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 2018 £	Year ended 31 March 2017 £
Income		
Bicycle sales, servicing, courses, merchandise and bike hire	205,101	191,934
Grants received	12,500	37,760
Other income	328	6,826
	<u>217,929</u>	<u>235,520</u>
Expenditure		
Cost of sales	33,536	37,496
Salaries, wages and other staff costs	160,312	154,446
Utilities and support costs	22,673	22,098
	<u>216,521</u>	<u>214,040</u>
Net profit as per Subsidiary accounts	1,408	21,480
Amount distributed to charity	-	(18,424)
	<u>1,408</u>	<u>3,056</u>
Total assets	61,269	54,524
Total liabilities	(56,804)	(51,467)
Funds (representing share capital and reserves)	4,465	3,057

6 Investment income

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
Interest receivable	150	-	150	338

MOTIV8 SOUTH LIMITED

NOTES TO THE ACCOUNTS (Continued) FOR THE YEAR ENDED 31 MARCH 2018

7 Analysis of expenditure on charitable activities

	Notes	Provision of Services £	Total 2018 £	Total 2017 £
Staff costs		885,720	885,720	825,745
Volunteer costs		180	180	489
Partnered delivery Activities		4,266	4,266	38,925
		35,194	35,194	35,752
Support costs	8	136,435	136,435	124,106
Governance costs	8	13,782	13,782	19,803
		<u>1,075,577</u>	<u>1,075,577</u>	<u>1,044,820</u>

Expenditure on charitable activities includes restricted expenditure of £216,408 (2017: £158,238).

8 Support costs

	Support Costs £	Governance Costs £	2018 £	2017 £	Basis of allocation
Premises	61,648	-	61,648	66,368	Charitable
Communications	19,494	-	19,494	15,883	Charitable
Transport	15,619	-	15,619	12,141	Charitable
Computers	22,019	-	22,019	19,512	Charitable
Subscriptions	3,170	-	3,170	3,819	Charitable
Audit and accountancy	-	6,330	6,330	6,330	Governance
Legal and professional fees	-	6,458	6,458	12,577	Governance
Trustee indemnity insurance	-	994	994	896	Governance
Depreciation	15,556	-	15,556	9,815	Charitable
Profit on sale of fixed assets	-	-	-	(2,000)	Charitable
Other expenses	(1,071)	-	(1,071)	(1,468)	Charitable
	<u>136,435</u>	<u>13,782</u>	<u>150,217</u>	<u>143,909</u>	

9 Net (expenditure)/income for the year

	2018 £	2017 £
This is stated after charging:		
Auditors' remuneration		
Audit fees	4,670	4,670
Accountancy services	1,660	1,660
Bicycle Recycling South Limited	1,050	1,050
Depreciation	17,236	10,129
Profit on sale of fixed assets	-	(2,000)
Operating lease rentals - land and buildings	15,683	21,034
- equipment	3,391	3,768
	<u>43,789</u>	<u>40,311</u>

MOTIV8 SOUTH LIMITED

NOTES TO THE ACCOUNTS (Continued) FOR THE YEAR ENDED 31 MARCH 2018

10 Trustees

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

11 Transfers

The transfers in the year were as follows:

	Unrestricted Funds £	Designated Funds £	Restricted Funds £
Fixed assets fund	(707)	707	-
Social enterprise fund	5,000	(5,000)	-
Depreciation transfers	3,882	-	(3,882)
	<u>8,175</u>	<u>(4,293)</u>	<u>(3,882)</u>

12 Employees

Number of employees

The average monthly headcount was 77 employees (2017: 65). The average monthly number of employees during the year was

	2018 Number	2017 Number
Chief Executive	1	1
Direct Charitable Staff	36	31
Bicycle Recycling Staff	9	9
	<u>46</u>	<u>41</u>

Employment costs

	2018 £	2017 £
Wages and salaries	958,844	909,909
Social security costs	71,193	66,821
Other pension costs	9,994	10,403
	<u>1,040,031</u>	<u>987,133</u>

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 £167,522 (2017: £152,405).

MOTIV8 SOUTH LIMITED

NOTES TO THE ACCOUNTS (Continued) FOR THE YEAR ENDED 31 MARCH 2018

13 Tangible fixed assets (Group)

	Freehold Land & Buildings £	Leasehold Land & Buildings £	Computer Equipment £	Fixtures, Fittings & Equipment £	Motor Vehicles £	Total £
Cost						
At 1 April 2017	280,667	11,447	46,177	63,987	52,006	454,284
Additions	-	-	4,710	4,950	4,400	14,060
Disposals	-	-	-	-	-	-
At 31 March 2018	280,667	11,447	50,887	68,937	56,406	468,344
Depreciation						
At 1 April 2017	18,510	11,447	41,690	35,538	52,006	159,191
Charge for the year	5,012	-	2,822	7,936	1,466	17,236
Eliminated on disposal	-	-	-	-	-	-
At 31 March 2018	23,522	11,447	44,512	43,474	53,472	176,427
Net book value						
At 31 March 2018	257,145	-	6,375	25,463	2,934	291,917
At 31 March 2017	262,157	-	4,487	28,449	-	295,093

MOTIV8 SOUTH LIMITED

NOTES TO THE ACCOUNTS (Continued) FOR THE YEAR ENDED 31 MARCH 2018

13 Tangible fixed assets (Company)

	Freehold Land & Buildings £	Leasehold Land & Buildings £	Computer Equipment £	Fixtures, Fittings & Equipment £	Motor Vehicles £	Total £
Cost						
At 1 April 2017	280,667	11,447	46,177	60,653	52,006	450,950
Additions	-	-	4,710	858	4,400	9,968
Disposals	-	-	-	-	-	-
At 31 March 2018	280,667	11,447	50,887	61,511	56,406	460,918
Depreciation						
At 1 April 2017	18,510	11,447	41,690	35,260	52,006	158,931
Charge for the year	5,012	-	2,822	6,256	1,466	15,556
Eliminated on disposal	-	-	-	-	-	-
At 31 March 2018	23,522	11,447	44,512	41,516	53,472	174,469
Net book value						
At 31 March 2018	257,145	-	6,375	19,995	2,934	286,449
At 31 March 2017	262,157	-	4,487	25,393	-	292,037

14 Fixed asset investments

Market value at 1 April 2017 and
31 March 2018

£

1

Historical cost:

At 1 April 2017 and 31 March 2018

1

MOTIV8 SOUTH LIMITED

NOTES TO THE ACCOUNTS (Continued) FOR THE YEAR ENDED 31 MARCH 2018

14 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:

Principal Activities	Capital and Reserves £	Profit/(loss) for the year ended 31 March 2018 £
Operation of Community Cycle Venues	4,465	1,408

Bicycle Recycling South Limited was incorporated on 16 January 2014.

15 Social investment Group and Company

£

At 1 April 2017 and 31 March 2018 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.

16 Debtors

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Trade debtors	59,248	83,501	41,181	75,878
Amounts owed by group undertakings	-	-	36,493	38,910
Other debtors	356	1,642	356	1,642
Prepayments and accrued income	65,844	55,104	61,136	51,322
	<u>125,448</u>	<u>140,247</u>	<u>139,166</u>	<u>167,752</u>

MOTIV8 SOUTH LIMITED

NOTES TO THE ACCOUNTS (Continued) FOR THE YEAR ENDED 31 MARCH 2018

17 Creditors: amounts falling due within one year

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Trade creditors	27,803	22,969	24,519	20,588
Taxes and social security costs	21,642	24,251	15,837	18,912
Accruals	412,695	110,014	401,472	105,177
	<u>462,140</u>	<u>157,234</u>	<u>441,828</u>	<u>144,677</u>

Accruals includes deferred income of £381,799 (2017: £84,076) in respect of projects where funding has been received in advance of the following year.

18 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.

	2018 £	2017 £
Contributions payable by the company for the year	9,994	10,403

19 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 2017	Incoming resources	Resources expended	Transfers to General Funds	Balance at 31 March 2018
Toronto Place					
LandAid Charitable Trust Limited	54,658	-	-	(1,916)	52,742
OPCC	-	71,206	(71,206)	-	-
BBC Children in Need	-	24,868	(24,868)	-	-
Bicycle Recycling	11,795	-	-	(1,966)	9,829
D of E Participating Support Fund	7,386	-	(7,386)	-	-
Hampshire and Isle of Wight Community Foundation	17,973	24,568	(42,541)	-	-
Hampshire Police	-	24,117	(24,117)	-	-
Gunwharf Quays supporting Others' Success Fund	-	6,000	(6,000)	-	-
Quilter Cheviot	-	20,000	(20,000)	-	-
PCC Future in Mind	-	10,739	(10,739)	-	-
Lennox Hannay Charitable Trust	-	5,000	(5,000)	-	-
No Fear Bridge	-	5,250	(5,250)	-	-
Other	1,660	12,451	(11,801)	-	2,310
	<u>93,472</u>	<u>204,199</u>	<u>(228,908)</u>	<u>(3,882)</u>	<u>64,881</u>

MOTIV8 SOUTH LIMITED

NOTES TO THE ACCOUNTS (Continued) FOR THE YEAR ENDED 31 MARCH 2018

19 Restricted funds (continued)

LandAid Charitable Trust Ltd donated £9,500 to install and equip a kitchen at Toronto Place, Gosport. LandAid awarded a grant of £50,000 for a new build ground floor extension to Toronto Place.

Hampshire Police and The Office of the Police & Crime Commissioner (OPCC) donated £95,323 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.

A sum of £7,386 was expended to assist young people in the Portsmouth area to complete their Duke of Edinburgh awards.

Hampshire and Isle of Wight Community Foundation made a number of awards in the year towards a music project, hate crime prevention programmes and a Solent Community grant programme.

The Quilter Cheviot Foundation awarded £60,000 over a two year period from 1 April 2016 of which £40,000 supported the Havant Project.

The Lennox Hannay Charitable Trust awarded £5,000 for the Bike Academy.

Gunwharf Quays Supporting Others' Success Fund made a grant of £6,000 to assist people in our community in the Portsmouth area with the aim of creating jobs and opportunities.

Relate provided £10,739 for costs for the provision of services as part of Relate's Emotional Health and Wellbeing Services.

No Fear Bridge granted £9,000 to fund Hayling Island Hub Weekly Sessions for the year to August 2018.

Further funds were received from Brockhurst Baptist Church, Vivid Housing Limited and others and are included within Other Funds.

MOTIV8 SOUTH LIMITED

NOTES TO THE ACCOUNTS (Continued) FOR THE YEAR ENDED 31 MARCH 2018

20 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:

Group	Movement in funds			Balance at 31 March 2018
	Balance at 1 April 2017	Incoming resources	Transfers (to)/from General Fund	
Fixed assets fund	228,639	-	707	229,346
Social enterprise fund	5,000	-	(5,000)	-
	<u>233,639</u>	<u>-</u>	<u>(4,293)</u>	<u>229,346</u>
Company				
Company	Movement in funds			Balance at 31 March 2018
	Balance at 1 April 2017	Incoming resources	Transfers (to)/from General Fund	
Fixed assets fund	225,583	-	(1,705)	223,878
Social enterprise fund	5,000	-	(5,000)	-
	<u>230,583</u>	<u>-</u>	<u>(6,705)</u>	<u>223,878</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.

A designation of £5,000 for the social enterprise has been written back.

21 Analysis of net assets between funds

Group	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total £
Fund balances at 31 March 2018 are represented by:				
Tangible fixed assets	-	229,346	62,571	291,917
Social investment	5,000	-	-	5,000
Net current assets	31,137	-	2,310	33,447
	<u>36,137</u>	<u>229,346</u>	<u>64,881</u>	<u>330,364</u>

MOTIV8 SOUTH LIMITED

NOTES TO THE ACCOUNTS (Continued) FOR THE YEAR ENDED 31 MARCH 2018

21 Analysis of net assets between funds (continued)

Company	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total £
Fund balances at 31 March 2018 are represented by:				
Tangible fixed assets	-	223,878	62,571	286,449
Investments	1	-	-	1
Social investments	5,000	-	-	5,000
Net current assets	32,140	-	2,310	34,450
	<u>37,141</u>	<u>223,878</u>	<u>64,881</u>	<u>325,900</u>

22 Commitments under operating leases

At 31 March 2018 the company had total commitments under non-cancellable operating leases as follows:

	Land and Buildings		Other	
	2018 £	2017 £	2018 £	2017 £
Expiry date:				
Within one year	3,142	5,821	-	-
Between two and five years	33,479	-	4,710	8,478
	<u>36,621</u>	<u>5,821</u>	<u>4,710</u>	<u>8,478</u>

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

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Notes				
Net movement in funds	(88,192)	23,646	(89,600)	20,590
Adjustments for:				
Depreciation charges	17,236	10,129	15,556	9,851
Profit on sale of fixed assets	-	(7,200)	-	(7,200)
Interest received	(150)	(338)	(150)	(338)
Increase) in stock	(10,518)	(5,390)	-	-
Decrease/(increase) in debtors	14,799	(54,136)	28,586	(69,189)
Increase/(decrease) in creditors	304,906	(44,272)	297,151	(47,828)
Net cash provided by operating activities	<u>238,081</u>	<u>(77,561)</u>	<u>251,543</u>	<u>(94,114)</u>

MOTIV8 SOUTH LIMITED

NOTES TO THE ACCOUNTS (Continued) FOR THE YEAR ENDED 31 MARCH 2018

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

Stephen Dimon is a director of Bicycle Recycling South Limited and managing director of 1st Computer Services who provide computer services to the group. The company provided free of charge IT support and cabling estimated at £4,800. The purchase of computer equipment and further IT services amounting to £3,456 was on an arm's length basis.

There were no other related party transactions which require disclosure.