

**MILTON KEYNES COUNCIL OF
VOLUNTARY ORGANISATIONS**
(A company limited by guarantee)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2004

Company number 4279401
Registered Charity No. 1092047



MILTON KEYNES COUNCIL OF VOLUNTARY ORGANISATIONS

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2004

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MILTON KEYNES COUNCIL OF VOLUNTARY ORGANISATIONS

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2004

LEGAL AND ADMINISTRATIVE DETAILS

Charity registration number: 1092047 (Previously 280429)

Company number 4279401

Registered office: Acorn House
351 Midsummer Boulevard
Milton Keynes
MK9 3HP

Board of Trustees: R Salter (Chair)
T Dimmock FCA (Treasurer)
E Ager
E Clark
C Malone
D Price
T O'Shea
P Egdell
R McPherson
C Gear

Chief Executive Officer & company secretary R Stone

Bankers National Westminster Bank
Central Milton Keynes

Auditors Walker Green & Co
Chartered Accountants
Registered Auditors
30/32 The Concourse
Brunel Centre
Bletchley
Milton Keynes MK2 2HE

MILTON KEYNES COUNCIL OF VOLUNTARY ORGANISATIONS

REPORT OF THE TRUSTEES

The trustees present their report together with the audited financial statements for the year ended 31 March 2004.

The charity is a company limited by guarantee and was incorporated on 31st August 2001. It is governed by its Memorandum and Articles of Association. The company acquired the assets and liabilities of the unincorporated entity on 1st April 2003.

Principal Activities

To promote any charitable purposes for the benefit of the community in the local government district of Milton Keynes and in particular the advancement of education, the protection of health and the relief of poverty, distress and sickness.

To promote and organise co-operation in the achievement of the above purposes and to that end to bring together, in council, representatives of the voluntary organisations and statutory authorities within the area of benefit.

Review of Activities

MKCVO continued to support volunteering and community organisations and to represent their interests in a number of ways. At the end of the year it had 118 full members and a contact database of approximately 1000.

The work of MKCVO is to support sustainable development in the local voluntary and community sector which we achieved through working in communities through initiatives such as the Community Mobiliser service. Funded by the Children's Fund, there were six Community Mobilisers working in local communities to encourage active participation in needs analysis and service development by children aged 5 to 13 years and their families. At the same time there was work with communities of interest and of place in the Local Strategic Partnership Focus group programme to explore growth issues and later in the development of the Community Strategy.

Practical support services continued to be offered to underpin the functioning of local groups. During the year InCCA, the Information Centre for Community Action, dealt with over 1,000 enquiries on a variety of subjects. A series of lunch-time seminars provided detailed information on those queries that appeared most often. Based in InCCA, a pilot project to provide 12 organisations with IT support through a Circuit Rider scheme was undertaken with great success. The Short Course Programme of training events continued until funding ran out in December 2003, however, the development of a 3 year Business Plan based on an extensive training needs analysis in the sector provided useful grounds to successfully negotiate a new programme during 2004.

Emergence of the growth agenda that will double the size of Milton Keynes in 30 years provided the focus for strategic partnership work during the period. MKCVO has invested considerable time in the development of the Local Strategic Partnership, pushing for resources to ensure community involvement in discussion of the issues. The appointment by MK Council of a Community Involvement Officer, based at MKCVO provided some evidence of success. Towards the end of the period we were delighted to be awarded funding from the government's Early Spend on Capacity Building in Infrastructure to undertake an exemplar project. This has resulted in the formation of a Local Infrastructure Organisations Partnership which is actively exploring ways to work effectively together to make a real difference to local groups.

MKCVO is committed to facilitate effective communication that reflects the diversity of local voluntary and community action and has directly provided opportunities during the year for this to happen at Voluntary and Community Sector Assembly Open Meetings, a conference and follow up workshop on the sector and developments in CMK, "Nobody Does It Better" training exhibition, a Funding Fair and regular VOICE open meetings. In addition we have supported the Community Foundation's Voluntary sector reception; Volunteer Connections Volunteer Award Evening; CMK Partnership Open Meeting and many others.

We try to ensure that the diverse views of the local and community sector are represented to statutory bodies and others. The Compact consultation programme is underway and a Memorandum of Understanding between the sector and the CMK Project Board has recently been formally signed.

Further details of the activities of MKCVO during 2003/2004 are given in the Annual Review copies of which are available from the Registered office.

MILTON KEYNES COUNCIL OF VOLUNTARY ORGANISATIONS

REPORT OF THE TRUSTEES continued

Organisation

The trustees who have served during the year and since the year end are set out on page 1. The trustees are elected annually by the members of the charity attending the Annual General Meeting and serve for an initial period of three years. A further three year term may be served. Trustees must be nominated from member organisations. A limited number of additional trustees may also be co-opted onto the trustee board. The trustees meet eight times a year in addition to subcommittee meetings.

Review of Financial Performance

Unrestricted fund income increased by £5,207 compared to 2002/2003, after expenditure of £153,347 and a transfer of £30,000 to designated funds a satisfactory sum of £44,743 is available to carry forward. The designated fund represents funds set aside for future office improvement costs. Unspent restricted funds of £62,887 are carried forward to the ensuing year.

Reserves Policy

It is the policy of the trustees to maintain the unrestricted reserves at a minimum level which equates to approximately three months unrestricted expenditure. At this minimum level of reserves the trustees feel that the charity would be able to continue its activities in the event of a significant drop in funding. The charity has been working for a number of years to bring free reserves up to the present level.

Internal Control & Risk Management

The trustees continue to monitor the major risks which the charity faces in relation to external factors and relationships, its governance and management, its internal operations and its business. They also continue to review the controls in place to control risk. A system has been set in place whereby the Board of trustees will review the management of risk every year.

The trustees continue to keep under review their systems of internal financial control. The systems have been designed to provide reasonable, but not absolute assurance against material misstatement or loss. They include:

- A strategic plan and annual budget approved by the trustees.
- Regular consideration by the trustees of financial results, variance from budgets and performance against the non financial annual plan
- Delegation of authority and separation of duties.

The internal financial controls conform to guidelines issued by the Charity Commission.

Investment Policy

Under its constitution, the charity has the power to make any investment that the trustees see fit. At present, surplus funds are invested in interest bearing bank accounts and funds are moved between accounts so as to maximise interest earned. Bank interest received during the year amounted to £1,401 (2003 £4,575)

Trustees Responsibilities in relation to Financial Statements

Law applicable to incorporated charities in England & Wales requires the Trustees who are also directors for the purposes of company law to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing those financial statements, the trustees should follow best practice and:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

MILTON KEYNES COUNCIL OF VOLUNTARY ORGANISATIONS

REPORT OF THE TRUSTEES continued

The trustees are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the charity and which enables them to ensure that the financial statements comply with the Companies Act 1985 and the Charities Act 1993.

They are also responsible for safeguarding the assets of the charity and for taking reasonable steps for the prevention of fraud and other irregularities.

Approved by the Board of Trustees on *11 Oct 2004* 2004

R Salter

R Salter
Chair.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF MILTON KEYNES COUNCIL OF VOLUNTARY ORGANISATIONS

We have audited the financial statements on pages 6 to 11 which have been prepared under the historical cost convention, and the accounting policies set out on page 6.

This report is made solely to the charity's trustees, as a body, in accordance with s235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The trustees, who are also directors, are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards as set out in the Statement of Trustees Responsibilities contained within the Trustees Report.

It is our responsibility to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all information and explanations we require for our audit, or if information specified by law is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. Our responsibilities do not extend to any other information. In particular we are not required to consider whether the statement in the Trustees' Report concerning the major risks to which the charity is exposed covers all existing risks and controls, or to form an opinion on the effectiveness of the charity's risk management and control procedures.

Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the affairs of the charitable company's affairs as at 31 March 2004 and of its incoming resources and application of resources, including income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



WALKER GREEN & CO

Chartered Accountants & Registered Auditors
30/32 The Concourse
Brunel Centre
Bletchley
Milton Keynes
MK2 2HE

1400 . November 2004

MILTON KEYNES COUNCIL OF VOLUNTARY ORGANISATIONS

PRINCIPAL ACCOUNTING POLICIES

MKCVO is a company limited by guarantee without a share capital. The liability of each member is limited to contributing £1 to the assets of the company in the event of it being wound up while a member, or within one year after ceasing to be a member.

BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention and in accordance with:

- the Charities (Accounts and Reports) Regulations 1995 and 2000;
- the Statement of Recommended Practice (SORP) – Accounting and Reporting by Charities published in October 2000;
- applicable accounting standards issued or adopted by the Accounting Standards Board.

The principal accounting policies have remained unchanged from the previous year.

Grant Income

Grants receivable are accounted for when received..

Donations & fund accounting

Donations received for the general purposes of the Charity are included as unrestricted funds.

Restricted funds represent income donated for specific purposes as required by the donor. Expenditure for those purposes is charged to the fund.

Resources expended

Resources expended are accounted for on an accruals basis.

Depreciation

Depreciation is calculated to write down the cost of all tangible fixed assets by equal annual instalments over their expected useful lives. The rates generally applicable are:

Fixtures and fittings	18%
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Contributions to pension funds - Defined contribution scheme

The pension costs charged in the year represent the amount of contributions payable to the scheme in respect of the accounting period.

Capital Modernisation costs

The expenditure on improvements to the building together with all associated professional fees is considered by the trustees as expenditure to maintain present standards and as such is written off in the year in which it is incurred.

MILTON KEYNES COUNCIL OF VOLUNTARY ORGANISATIONS

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2004

	Notes	Unrestricted funds £	Restricted funds £	2004 Total funds £	2003 Total funds £
Incoming resources					
Subscriptions		1,977		1,977	4,334
Activities to further the charity's objects					
Grants & contracts for advice, information & training	1	84,613	265,529	350,142	230,399
Income from core services		33,838		33,838	23,062
Activities for generating funds					
Investment income	2	1,401		1,401	4,575
Total incoming resources		<u>121,829</u>	<u>265,529</u>	<u>387,358</u>	<u>262,370</u>
Resources expended					
<i>Charitable expenditure</i>					
Costs of activities in furtherance of the charity's objects:					
Information and education		149,143	209,350	358,493	216,809
Capital modernisation costs			8,000	8,000	160,605
Management and administration		4,204		4,204	10,175
Total resources expended	3	<u>153,347</u>	<u>217,350</u>	<u>370,697</u>	<u>387,589</u>
Net (outgoing) incoming resources		-31,518	48,179	16,661	-125,219
Transfers		67,543	-67,543	-	
Fund balances brought forward 1st April 2003		38,718	82,251	120,969	246,188
Fund balances carried forward 31st March 2004	9	<u>74,743</u>	<u>62,887</u>	<u>137,630</u>	<u>120,969</u>

MILTON KEYNES COUNCIL OF VOLUNTARY ORGANISATIONS

BALANCE SHEET as at 31 March 2004

	Notes	2004 £	2003 £
Fixed Assets	6		
Tangible fixed assets		1	1,889
Current Assets			
Debtors	7	54,544	280
Cash at bank and in hand		<u>110,532</u>	<u>121,132</u>
		165,076	121,412
Creditors: amount falling due within one year	8	-27,447	-2,332
Net current assets		<u>137,629</u>	<u>119,080</u>
Total net assets		<u>£ 137,630</u>	<u>£ 120,969</u>
Funds:			
Unrestricted funds	9	44,743	38,718
Designated fund	9	30,000	-
Restricted funds	9	62,887	82,251
Total funds		<u>£ 137,630</u>	<u>£ 120,969</u>

The financial statements were approved by the Board of Trustees on 18 October 2004.

Chair  R Salter

Treasurer  T T Dimmock

MILTON KEYNES COUNCIL OF VOLUNTARY ORGANISATIONS

NOTES forming part of the financial statements for the year ended 31 March 2004

1. Grants & donations

	Unrestricted 2004	Restricted 2004	Total 2003
MK Council	84,613	-	82,953
EB Milton Keynes	-	-	1,698
MK Community Foundation	-	27,177	24,715
MK Community Properties	-	-	8,250
VOICE	-	350	-
Oxford County Council - Silk Project	-	16,450	-
Lloyds/TSB Foundation	-	-	23,733
LSP Forum	-	7,280	-
Learning & Skills Council	-	51,733	28,344
English Partnerships	-	42,000	-
Awards for All	-	-	2,500
The Childrens Fund	-	109,876	1,424
European Social Fund	-	-	56,782
Somali Youth Project	-	5,713	-
Property Project	-	4,950	-
	<u>84,613</u>	<u>265,529</u>	<u>230,399</u>

2. Investment income

	2004	2003
Interest receivable	1,401	4,575

3. Total resources expended

	Staff costs	Other direct costs	Total	Total
Information & education	81,786	228,854	310,640	206,992
Support costs	400	47,453	47,853	9,817
Capital modernisation costs	-	8,000	8,000	160,605
Management & administration	-	4,204	4,204	10,175
	<u>82,186</u>	<u>288,511</u>	<u>370,697</u>	<u>387,589</u>

Other direct costs include:

	2004	2003
Audit fee	1,410	1,175
Depreciation	1,888	5,347

MILTON KEYNES COUNCIL OF VOLUNTARY ORGANISATIONS

NOTES forming part of the financial statements for the year ended 31 March 2004 (continued)

4. Trustees' remuneration & expenses

The trustees neither received nor waived any emoluments nor out of pocket expenses during the year. (2003 nil)

5. Staff costs

	2004	2003
Wages & salaries	72,193	80,140
Social security costs	6,870	7,829
Pension costs	3,123	7,702
	<u>82,186</u>	<u>95,671</u>

No employee received emoluments as defined for tax purposes in excess of £50,000.

The average number of employees, analysed by function was as follows:

Charitable activities	7	7
Management & administration	1	1

6. Tangible fixed assets

	Furniture, fixtures & fittings
Cost at 1 April 2003	29,166
Additions during year	-
Cost at 31st March 2004	<u>29,166</u>
Depreciation at 1 April 2003	27,277
Charge for year	<u>1,888</u>
Depreciation at 31 March 2004	<u>29,165</u>
Net book value 31 March 2004	<u>1</u>
Net book value 31 March 2003	<u>1,889</u>

7. Debtors

	2004	2003
Trade debtors	50,665	
Prepayments	<u>3,879</u>	<u>280</u>
	<u>54,544</u>	<u>280</u>

8. Creditors: amounts falling due within one year

Trade creditors	18,037	1,157
Accruals	<u>9,410</u>	<u>1,175</u>
	<u>27,447</u>	<u>2,332</u>

MILTON KEYNES COUNCIL OF VOLUNTARY ORGANISATIONS

NOTES forming part of the financial statements for the year ended 31 March 2004 (continued)

9. Statement of funds

	At 1 April 2003	Income	Expenditure	At 31 March 2004
General reserve	38,718	121,829	-153,347	44,743
Transfer from designated reserve				
Transfers - restricted funds		67,543		
Transfers - designated funds			-30,000	
Designated Reserve				
Transfer - general funds		30,000		30,000
Total unrestricted funds	<u>38,718</u>	<u>189,372</u>	<u>-183,347</u>	<u>74,743</u>
	=====	=====	=====	=====

The designated fund represents sums set aside for office improvement & expansion.

Restricted funds

Information & education	80,099	263,287	-208,450	59,143
Transfers	-8,250		-67,543	
Capital modernisation fund	2,152	-	-8,000	2,402
Transfers	8,250			
Start up grants		2,242	-900	1,342
	<u>82,251</u>	<u>265,529</u>	<u>-284,893</u>	<u>62,887</u>
	=====	=====	=====	=====

The restricted funds can be summarised as follows and are fully represented by cash at bank.

Information & education

These funds relate to various grants received as detailed in note 1, in connection with the provision of training and information.

Capital Modernisation Fund

This fund relates to grants received from the Home Office in connection with the refurbishment of the reception area of Acorn House and the provision of information services.

Start up grants

These funds relate to sums received from Milton Keynes Community Foundation for disbursement to new charities.

Transfers represent restricted sums received part of which relates to administration costs which have been incurred from general funds.