

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

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008

Company number 4279401
Registered Charity No. 1092047

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MILTON KEYNES COUNCIL OF VOLUNTARY ORGANISATIONS

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

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MILTON KEYNES COUNCIL OF VOLUNTARY ORGANISATIONS

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

LEGAL AND ADMINISTRATIVE DETAILS

Charity registration number:	1092047
Company number	4279401
Registered office:	Acorn House 351 Midsummer Boulevard Milton Keynes MK9 3HP
Board of Trustees:	I Revell (Chair) T Dimmock FCA (Treasurer) A Francome G Roberts K Caldbeck B Serginson T Clapton G Anderson A Armes
Chief Executive Officer & company secretary	R Stone
Bankers	National Westminster Bank Central Milton Keynes
Auditors	Keens Shay Keens - MK Chartered Accountants Registered Auditors Sovereign Court 230 Upper 5 th Street Central Milton Keynes MK9 2HR

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 2008.

Governing Document

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.

Recruitment and Appointment of Management Committee

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.

Trustee Induction and Training

New trustees receive both a verbal and written induction. The Trustee Handbook is regularly updated to ensure that the information is accurate and reflects current practice. Trustees are asked to complete a skills audit and skill gaps across the board are discussed and additional trustees are co-opted to meet agreed needs.

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.

Objectives and Activities

The company's objects and principal activities are 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.
- 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.

Achievements and Performance

This financial year has been a period of consolidation for MKCVO services coupled with detailed planning for the future to prepare the organisation to meet the needs of a rapidly growing population. In March 2007, after almost 12 months development, the Board of Trustees had agreed a Five Year Strategic Plan that is both aspirational and realistic, the financial period 2007 to 2008 has seen the very successful implementation of the first part of that plan through delivering MKCVO's core functions:

MILTON KEYNES COUNCIL OF VOLUNTARY ORGANISATIONS

REPORT OF THE TRUSTEES continued

- **Development:** an independent qualitative evaluation undertaken by the Open University in October 2006 reported; 'the Mobiliser Service is both successful and innovative.' Now in its fifth year our Community Mobiliser Service, funded by the Children's Fund is able to demonstrate significant progress across 8 areas of Milton Keynes. During the year there were 1,434 different activities in local communities with more than 27,069 attendances. Local community members volunteered more than 5,302 hours to support activities. Local Action Groups have managed their budgets effectively actually increasing their original budgets by 100%!
- **Support:** supported by funding from Capacity Builders, MKCVO co-ordinated an innovative project; Outreach MK on behalf of MKCLIP, a strategic partnership of voluntary sector support providers. Through face to face visits the project established a point of contact for groups so that they know how to get information and support when they need it. Over an 18 month period a total of 580 groups were visited by a team of workers from a range of partner organisations. To date detailed records of 640 groups have been entered on the Voluntary Sector Gateway (www.vcsmk.org.uk) providing the foundation for an accurate and detailed profile of the local sector. The popularity and usage of the web portal by groups of all sizes has increased substantially in the period with a total of 169 websites linked to the Voluntary Sector Gateway.

Meanwhile the Funding Advice Service, supported by the Big Lottery exceeded all targets with 260 subscribers to the monthly funding alert, a popular monthly seminar programme and 200 groups provided with one to one advice and support.

Full membership of MKCVO stands at 393 groups of which almost 80% have annual incomes of less than £100,000. It is also interesting to note that there are currently 13 member groups that have an annual income of over £1m

- **Liaison and Networking:** From focus groups and exhibitions, traditional newsletters to innovations on the web portal, and a programme of open meetings we have facilitated communications with a wide variety of groups across MK. Highlights have included an evening social to say thank you to groups involved in Outreach MK, working lunches to explore the idea of a formal learning consortium and focus groups to capture people's memories of how it felt to arrive in MK for the first time. VOICE, the Community Development Network and the What Works Group continued to be well supported and involve a wide range of groups and organisations. 45 groups have attended workshops and talks on the expansion of Milton Keynes and the growth Gossip e-alert has a circulation of over 500; an experimental Growth Facebook has 93 friends
- **Representation:** For much of the year we struggled to get to grips with Local Area Agreements (LAA) so we could more effectively support the five local voluntary sector representatives involved in negotiating targets. Whilst the agreed LAA for 2007/08 did not explicitly recognise the contribution of the VCS in the delivery of local services, the representation provided has helped stimulate a review of the relationship between the VCS and local statutory agencies.
- **Strategic Partnership:** Once more the year was dominated by our work with MKCLIP, the partnership of voluntary sector umbrella bodies for which MKCVO is the accountable body. Members of MKCLIP provide support services to frontline groups and during the year we collectively developed a Strategic Plan to 2014 and a Business plan to 2011. On the basis of this work we were delighted to be awarded one of the largest 3 Year Modernisation Grants in the South East to support our work for the next three years
- In addition we continued very active membership of the Local Strategic Partnership, the Officers Group of the Economy and Learning Partnership and the Area Programme Board.

MILTON KEYNES COUNCIL OF VOLUNTARY ORGANISATIONS

REPORT OF THE TRUSTEES continued

Financial Review

Total incoming resources amounted to £667,226 (2007 £744,781). Total resources expended amounted to £641,711 (2007 £583,748). Free unrestricted reserves amounted to £183,087 at the year end of which £32,011 has been designated for community mobiliser activities. Restricted funds of £1,100,806 represented by current assets are held for expenditure on specific projects.

The sum received from English Partnerships in the previous year amounting to £965,000 has been carried forward as part of the Restricted Funds.

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 £29,593 (2007 £5,387)

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.

Plans for Future Periods

The Trustee Board worked with staff and volunteers throughout 2006-07 to develop a 5 year strategic plan for MKCVO. The plan presents strategic statements for each of our core functions together with a 5 year vision, containing specific targets, for each of the service areas. Underpinning themes of communication and business development have been added to ensure the delivery of our aspirations.

Strategic direction for MKCVO to 2012 is summarised as follows:

- **Development:** MKCVO is committed to supporting the sustainable development of organisations in the local voluntary and community sector. By 2012, MKCVO will be a lead organisation for developing community organisations. Fully committed to the belief of supporting individuals into collective action we will have a more effective, coordinated community development sector across MK. Volunteers and staff working in the sector will work towards jointly agreed principles and approaches. MK will have a joined-up network of locality based workers across its boundaries, taking into account regeneration, expansion and rural areas. We will advocate for community involvement at all levels of decision making affecting their quality of life
- **Support:** MKCVO is committed to providing support which will underpin the functioning and develop the capacity of local voluntary and community groups. All areas of MKCVO's information service will continue to be well managed and demonstrate greater variety and diversity than at present.
- **Participation and Representation:** MKCVO is committed to developing and maintaining links across the voluntary and community, statutory and private sectors and promotes the ability for all sectors to network with each other. We aim to enable the diverse views of the local voluntary and community sector to be represented to local statutory bodies and others regarding policy development and, where appropriate, to be a conduit for representation.

MILTON KEYNES COUNCIL OF VOLUNTARY ORGANISATIONS

REPORT OF THE TRUSTEES continued

- **Strategic Partnership:** MKCVO views involvement in any strategic partnership as a means to ensure involvement and a strong voice from voluntary and community groups or to effectively achieve our own strategic aims. On occasions MKCVO will be approached by 'other partners, particularly in the statutory sector and asked to be 'the voice' of the voluntary and community sector. We will argue that we cannot ever be wholly accountable or representative but that a significant benefit of working in partnership is the potential it offers to involve a wider range of stakeholders into the debates and decisions. An important part of our approach will be to make sure that we have clear objectives for the extent and rationale for MKCVO's involvement in any strategic partnership.
- **Communication:** Promoting the voluntary and community sector and building MKCVO's reputation go hand in hand. MKCVO's reputation will continue to be built on the effectiveness of our dialogue with the frontline VCS and what we do with the information we hold on the sector. An important part of our vision is the desire that local people should value voluntary and community activity. In order to achieve this MKCVO has to raise awareness and understanding of the VCS. MKCVO has to be accessible and have a high public profile if it is to achieve greater involvement of the community. Whilst much can be made of modern communication techniques we believe that MKCVO must also have one or more accessible centres for people to visit.
- **Business Development:** MKCVO believes in what it does and the way in which it works. In order to develop and improve our activities we wish to grow and improve the organisation. As the city grows so too will the voluntary and community sector. MKCVO needs to be fully involved in the design of new communities so that we can ensure that activity is well integrated with the existing VCS networks and follows the same community development approach. MKCVO may in some cases take on the direct delivery of services as this could have some advantages, not least in ensuring financial sustainability. MKCVO has learned a great deal in its operation so far and is committed to continual learning and improvement. We seek to share our experiences and to promote our model of partnership working and community development and demonstrate how it may be of benefit to other communities in the UK and overseas. We have lessons to share and more lessons to learn with a range of potential partners. These activities can assist in generating income to further our activities.

Members of the Management Committee

Members of the Management Committee, who are also directors for the purpose of company law and trustees for the purpose of charity law, who served during the year and up to the date of this report are set out on page 1.

Auditors

Keens Shay Keens-MK were appointed during the year to fill a vacancy and have expressed their willingness to continue as auditors.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005) and in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

Approved by the Board of Trustees on *5 March* 2008 and signed on its behalf by:


I Revell
Chair of Trustees.

MILTON KEYNES COUNCIL OF VOLUNTARY ORGANISATIONS

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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 and detection of fraud and other irregularities.

MILTON KEYNES COUNCIL OF VOLUNTARY ORGANISATIONS

INDEPENDENT AUDITORS REPORT TO MEMBERS FOR THE YEAR ENDED 31 MARCH 2008

We have audited the financial statements of Milton Keynes Council of Voluntary Organisations for the year ended 31 March 2008, which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the trustees and auditors

The responsibility of the trustees (who are also directors of Milton Keynes Council of Voluntary Organisations for the purposes of company law) for preparing Annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

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

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

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

Basis of Auditors' Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable 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 the information in the financial statements.


MILTON KEYNES COUNCIL OF VOLUNTARY ORGANISATIONS

**INDEPENDENT AUDITORS REPORT TO MEMBERS FOR THE YEAR ENDED 31 MARCH 2008
(CONT'D)**

Auditors' Opinion

In our opinion the financial statements :

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the charitable company's affairs as at 31 March 2008 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Trustees' Annual Report is consistent with the financial statements.



**Keens Shay Keens MK
Chartered Accountants
and Registered Auditors**

5/12/2008

**Sovereign Court
230 Upper Fifth Street
Central Milton Keynes
MK9 2HR**

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 issued in March 2005;
- 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..

Investment income

Investment income is 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 granted 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	50%
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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.

MILTON KEYNES COUNCIL OF VOLUNTARY ORGANISATIONS

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2008

	Notes	Unrestricted funds £	Restricted funds £	2008 Total funds £	2007 Total funds £
Incoming resources					
Incoming resources from generated funds:					
<i>Activities for generating funds</i>					
Investment income	2	29,593	-	29,593	5,387
Incoming resources from charitable activities					
Grants & contracts	1	399,870	216,614	616,484	716,812
Income from core services		21,149	-	21,149	22,582
Total incoming resources		<u>450,612</u>	<u>216,614</u>	<u>667,226</u>	<u>744,781</u>
Resources expended					
	3				
Charitable activities		441,751	198,146	639,897	582,073
Governance costs		1,814	-	1,814	1,675
Total resources expended		<u>443,565</u>	<u>198,146</u>	<u>641,711</u>	<u>583,748</u>
Net incoming (outgoing) resources		7,047	18,468	25,515	161,033
Transfers		67,007	-67,007	-	965,000
Total funds brought forward		109,033	1,149,345	1,258,378	132,345
Total Funds carried forward	9	<u>183,087</u>	<u>1,100,806</u>	<u>1,283,893</u>	<u>1,258,378</u>

The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities.

MILTON KEYNES COUNCIL OF VOLUNTARY ORGANISATIONS

BALANCE SHEET AS AT 31 MARCH 2008

	Notes	2008 £	2007 £
Fixed Assets	6		
Tangible assets		1	1
Current Assets			
Debtors	7	67,086	116,468
Cash at bank and in hand		1,260,413	1,192,011
		<u>1,327,499</u>	<u>1,308,479</u>
Creditors: amount falling due within one year	8	-43,607	-50,102
Net current assets		<u>1,283,892</u>	<u>1,258,377</u>
Net assets		<u>£ 1,283,893</u>	<u>£ 1,258,378</u>
Unrestricted funds			
General funds	9	151,076	98,562
Designated funds	9	32,011	10,471
		<u>183,087</u>	<u>109,033</u>
Restricted funds	9	1,100,806	1,149,345
Total funds		<u>£ 1,283,893</u>	<u>£ 1,258,378</u>

These accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

Approved by the Board of Trustees on  2008 and signed on its behalf by:

Chair  I Revell

Treasurer  T T Dimmock

MILTON KEYNES COUNCIL OF VOLUNTARY ORGANISATIONS

NOTES forming part of the financial statements for the year ended 31 March 2008

1. Grants & contractual income

	Unrestricted 2008	Restricted 2008	Total 2007
MK Council	89,775	-	87,160
Health Trainer Project	-	25,957	-
Lloyds TSB	-	53,666	-
VOICE	-	-	270
AFA - Hotdesking	-	-	-
LSC/ESF Grants	-	-	45,470
Home Office - Change Up	-	-	9,514
Learning & Skills Council	-	-	30,000
English Partnerships	45,000	-	0
Mk Partnership	-	-	60,427
The Childrens Fund	265,095	-	253,247
Capacity Builders	-	82,487	62,623
Outreach MK	-	-	48,059
NLCB - Big Lottery Project	-	41,504	41,639
GOSE - Capital Grant	-	-	1,204
MK ELP Funding	-	13,000	4,000
GCA	-	-	25,532
CMK Co. - Development worker	-	-	0
CIO projects	-	-	47,667
	<u>399,870</u>	<u>216,614</u>	<u>716,812</u>

2. Investment income

	2007	2007
Interest receivable	<u>29,593</u>	<u>5,387</u>

3. Total resources expended

	Charitable activities	Governance costs	Total 2008	Total 2007
Staff costs	449,499	-	449,499	408,458
Volunteer's expenses	714	-	714	382
Depreciation	-	-	-	699
Audit fees	-	1,530	1,530	1,500
Meetings	-	284	284	175
Other direct costs	189,684	-	189,684	172,534
	<u>639,897</u>	<u>1,814</u>	<u>641,711</u>	<u>583,748</u>

MILTON KEYNES COUNCIL OF VOLUNTARY ORGANISATIONS

NOTES forming part of the financial statements for the year ended 31 March 2008 (continued)

4. Trustees' remuneration & expenses

The trustees neither received nor waived any emoluments nor out of pocket expenses during the year. (2007 nil)

	2008	2007
5. Staff costs		
Wages & salaries	404,378	367,212
Social security costs	39,683	36,323
Pension costs	5,438	4,923
	<u>449,499</u>	<u>408,458</u>

No employee received emoluments as defined for tax purposes in excess of £60,000.

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

Charitable activities	17	17
Management & administration	1	1

6. Tangible fixed assets

	Furniture, fixtures & fittings
Cost at 1 April 2007	49,837
Additions during year	<u>0</u>
Cost at 31st March 2008	<u>49,837</u>
Depreciation at 1 April 2007	49,836
Charge for year	<u>0</u>
Depreciation at 31 March 2008	<u>49,836</u>
Net book value 31 March 2008	<u>1</u>
Net book value 31 March 2007	<u>1</u>

7. Debtors

	2008	2007
Trade debtors	67,086	108,435
Prepayments	-	8,033
	<u>67,086</u>	<u>116,468</u>

8. Creditors: amounts falling due within one year

Trade creditors	6,533	22,530
Accruals & income received in advance	1,500	1,500
Taxation & social security	35,574	26,072
	<u>43,607</u>	<u>50,102</u>

MILTON KEYNES COUNCIL OF VOLUNTARY ORGANISATIONS

NOTES forming part of the financial statements for the year ended 31 March 2008 (continued)

9. Statement of funds

	At 1 April 2007	Income	Expenditure	At 31 March 2008
General reserve	98,562	450,612	-443,565	151,076
Transfers - designated funds			-21,540	
Transfer - Restricted Funds		67,007		
Designated Reserve	10,471			32,011
Transfer - general funds		21,540		
Total unrestricted funds	<u>109,033</u>	<u>539,159</u>	<u>-465,105</u>	<u>183,087</u>

The designated funds represent funds held to be expended in the ensuing year on community mobiliser activities.

Restricted funds

Information & education	184,345	216,614	-198,146	1,100,806
Transfer from Funds held for third party	965,000			
Transfer - General Reserve			-67,007	
	<u>1,149,345</u>	<u>216,614</u>	<u>-265,153</u>	<u>1,100,806</u>

The restricted funds represent a number of projects all in respect of the charity's principal objectives.

The transfer from Funds held for third party represents an amount which was shown as a creditor at 31st March 2007. The Trustees consider that it is more accurately portrayed as part of the Charity's restricted funds.