

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

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007**

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 2007

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MILTON KEYNES COUNCIL OF VOLUNTARY ORGANISATIONS

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2007

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	E Clark (Chair) – retired June 2007 I Revell (Chair) - appointed June 2007 T Dimmock FCA (Treasurer) R Salter C Malone – retired March 07 D Price C Gear W Usher – retired March 07 A Francome A Armes – appointed March 07 G Roberts – appointed March 07
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 2007

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 six 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 agreed a Five Year Strategic Plan that is both aspirational and realistic.

In addition MKCVO led cross-sector work on the development of a Voluntary and Community Sector Business Plan for the expansion areas. We were delighted when the plan and its recommendations were

MILTON KEYNES COUNCIL OF VOLUNTARY ORGANISATIONS

REPORT OF THE TRUSTEES continued

endorsed by Milton Keynes Partnership Committee in January 2007 thus securing an investment of £3.75m for the period up to 2014.

Work on delivering MKCVO's core functions continued throughout the year

- **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 fourth 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 1,142 different activities in local communities with more than 25,300 attendances. Local community members volunteered more than 3,885 hours to support activities and 100 residents attended formal training courses, with 20 attending level 1 qualification courses and 12 level 2. Local Action Groups have managed their budgets effectively actually increasing their original budgets by 200%!
- **Support:** supported by funding from Capacity Builders, MKCVO has co-ordinated a new project, Outreach MK. Through face to face visits the project aims to establish 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 will be visited by a team of workers from a range of partner organisations. To date detailed records of 340 group visits 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 96 websites linked to the portal.

Meanwhile the Funding Advice Service, supported by the Big Lottery, continues to exceed all targets with 240 subscribers to the monthly funding alert, a popular monthly seminar programme and 90 groups provided with one to one advice and support.

In December 2006 a workforce development contract with the Learning and Skills Council was successfully completed with 128 people attending training and 83 individual learning plans negotiated.

- **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.
- **Representation:** In the early part 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.
At a grass roots level, work to support the Place Check process in the Woughton Parish and ongoing work with Local Action Groups elsewhere has seen a greater cross section of local residents becoming actively involved in speaking for themselves about issues that concern them.
- **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 began to implement the 'Infrastructure Development Plan' agreed the previous year.

MILTON KEYNES COUNCIL OF VOLUNTARY ORGANISATIONS

REPORT OF THE TRUSTEES continued

- 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

Financial Review

Total incoming resources increased by 6.8% with a reduction of 16.6% in outgoing resources. Free unrestricted reserves amounted to £109,033 at the year end of which £10,471 has been designated for future expenditures. Restricted funds of £184,345 represented by current assets are held for expenditure on specific projects during the ensuing year.

The sum received from English Partnerships amounting to £965,000 has been carried forward as a creditor in the balance sheet as this is being held on behalf of MKCLIP.

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 £5,387 (2006 £434).

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

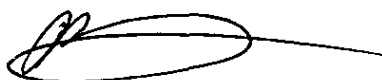
Members of the Management Committee, who are also directors for the purpose of company law and trustees for the purpose of charity law, who served during the year and up to the date of this report are set out on page 1.

Auditors

Walker Green & Co were re-appointed as the charitable company's auditors during the year and have expressed their willingness to continue in that capacity.

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 24/1/07 2007 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

Independent Auditors' Report to the members of Milton Keynes Council of Voluntary Organisations

We have audited the financial statements of Milton Keynes Council of Voluntary Organisations for the year ended 31st March 2007 set out on pages 9 to 13, which comprise of Statement of Financial Activities, the Balance Sheet and related notes. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities effective January 2005.

The auditor's report is made solely to the 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 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 any responsibility to anyone other than the company and the company's members as a body, for our work, for this report, or the opinions we have formed.

Respective responsibilities of trustees and auditors

The trustees' (who are also the directors of Milton Keynes Council of Voluntary Organisations for the purposes of company law) responsibilities for preparing the Trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards 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 if, in our opinion, the Trustees' Annual Report is not consistent with the financial statements, if 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 other information contained in the Trustees' Annual Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit 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 charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all 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, in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the Charity's affairs as at 31st March 2007 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



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

October 2007

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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.

Investment Income

Investment income is accounted for when received.

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 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 2007

	Notes	Unrestricted funds £	Restricted funds £	2007 Total funds £	2006 Total funds £
Incoming resources					
Incoming resources from generated funds					
<i>Activities for generating funds</i>					
Investment income	2	5,387		5,387	434
Incoming resources from charitable activities					
Grants & contracts	1	430,066	286,746	716,812	687,795
Income from core services		22,582		22,582	8,945
Total incoming resources		<u>458,035</u>	<u>286,746</u>	<u>744,781</u>	<u>697,174</u>
Resources expended					
	3				
Charitable activities		411,635	170,438	582,073	698,468
Governance costs		1,675		1,675	1,734
Total resources expended		<u>413,310</u>	<u>170,438</u>	<u>583,748</u>	<u>700,202</u>
Net incoming (outgoing) resources		44,725	116,308	161,033	-3,028
Total funds brought forward		64,308	68,037	132,345	135,373
Total Funds carried forward	9	<u>109,033</u>	<u>184,345</u>	<u>293,378</u>	<u>132,345</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 2007

	Notes	2007 £	2006 £
Fixed Assets			
Tangible assets	6	1	700
Current Assets			
Debtors	7	116,468	99,676
Cash at bank and in hand		<u>1,192,011</u>	<u>1,025,529</u>
		1,308,479	1,125,205
Creditors amount falling due within one year	8	-1,015,102	-993,560
Net current assets		<u>293,377</u>	<u>131,645</u>
Net assets		<u>£ 293,378</u>	<u>£ 132,345</u>
Unrestricted funds			
General funds	9	98,562	63,608
Designated funds	9	<u>10,471</u>	<u>700</u>
		109,033	64,308
Restricted funds	9	184,345	68,037
Total funds		<u>£ 293,378</u>	<u>£ 132,345</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 24/10 2007 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 2007

1 Grants & contractual income

	Unrestricted 2007	Restricted 2007	Total 2006
MK Council	87,160	-	87,160
MK Community Foundation	-	-	330
Global Centre	-	-	25,532
VOICE	-	270	0
AFA - Hotdesking	-	-	5,342
LSC/ESF Grants	-	45,470	0
Home Office - Change Up	-	9,514	95,233
Learning & Skills Council	10,000	20,000	77,190
English Partnerships	-	-	16,086
Mk Partnership	60,427	-	-
Widening Participation - BME Groups	-	-	187
The Childrens Fund	253,247	-	278,737
Capacity Builders - Outreach	-	62,623	0
Outreach MK	19,232	28,827	0
NLCB - Big Lottery Project	-	41,639	25,014
GOSE - Capital Grant	-	1,204	60,454
MK ELP Funding	-	4,000	2,798
GCA	-	25,532	0
CMK Co - Development worker	-	-	2,115
CIO projects	-	47,667	11,617
	<u>430,066</u>	<u>286,746</u>	<u>687,795</u>

2 Investment income

	2007	2006
Interest received	<u>5,387</u>	<u>434</u>

3 Total resources expended

	Charitable activities	Governance costs	Total 2007	Total 2006
Staff costs	408,458		408,458	375,897
Volunteer's expenses	382		382	624
Depreciation	699		699	10,336
Audit fees		1,500	1,500	1,500
Meetings		175	175	204
Other direct costs	<u>172,534</u>	<u>0</u>	<u>172,534</u>	<u>311,641</u>
	<u>582,073</u>	<u>1,675</u>	<u>583,748</u>	<u>700,202</u>

MILTON KEYNES COUNCIL OF VOLUNTARY ORGANISATIONS

NOTES forming part of the financial statements for the year ended 31 March 2007 (continued)

4 Trustees' remuneration & expenses

The trustees neither received nor waived any emoluments nor out of pocket expenses during the year (2006 nil)

	2007	2006
5 Staff costs		
Wages & salaries	367,212	338,841
Social security costs	36,323	32,854
Pension costs	4,923	4,202
	<u>408,458</u>	<u>375,897</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 2006	49,837
Additions during year	0
Cost at 31st March 2007	<u>49,837</u>
Depreciation at 1 April 2006	49,137
Charge for year	699
Depreciation at 31 March 2007	<u>49,836</u>
Net book value 31 March 2007	1
Net book value 31 March 2006	<u>700</u>

7 Debtors

	2007	2006
Trade debtors	108,435	91,643
Prepayments	<u>8,033</u>	<u>8,033</u>
	<u>116,468</u>	<u>99,676</u>

8 Creditors amounts falling due within one year

Trade creditors	22,530	3,506
Accruals & income received in advance	1,500	1,500
Taxation & social security	26,072	23,554
Funds held for third party	965,000	965,000
	<u>1,015,102</u>	<u>993,560</u>

MILTON KEYNES COUNCIL OF VOLUNTARY ORGANISATIONS

NOTES forming part of the financial statements for the year ended 31 March 2007 (continued)

9. Statement of funds

	At 1 April 2006	Income	Expenditure	At 31 March 2007
General reserve	63,608	458,035	-413,310	98,562
Transfers - designated funds			-9,771	
Designated Reserve	700			10,471
Transfer - general funds		9,771		
Total unrestricted funds	<u>64,308</u>	<u>467,806</u>	<u>-423,081</u>	<u>109,033</u>

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

Restricted funds				
Information & education	68,037	286,746	-170,438	184,345
	<u>68,037</u>	<u>286,746</u>	<u>-170,438</u>	<u>184,345</u>

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