

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

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2005

Company number 4279401
Registered Charity No. 1092047



MILTON KEYNES COUNCIL OF VOLUNTARY ORGANISATIONS

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2005

INDEX	PAGE
Legal and administrative details	1
Report of the trustees	2-4
Report of the auditors	5
Principal accounting policies	6
Statement of financial activities	7
Balance sheet	8
Notes to the financial statements	9-11

MILTON KEYNES COUNCIL OF VOLUNTARY ORGANISATIONS

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2005

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:	R Salter (Chair) T Dimmock FCA (Treasurer) E Ager (Resigned January 2005) E Clark C Malone D Price T O'Shea P Egdell R McPherson (Resigned November 2004) C Gear W Usher
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 2005.

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.

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 be committed to facilitating effective communication that reflects the diversity of local voluntary and community action. This year we supported the production of three editions of Catch-Up, circulated to over 950 groups, to keep the local sector up to date on developments in Milton Keynes. In addition we held a number of open meetings and focus groups, made formal presentations on voluntary and community sector issues to local and regional statutory agencies and continued to support other organisations events, such as, the Voluntary sector Reception, the CMK Partnership Open Meetings and many others.

We have continued to strive to ensure that the diverse views of the local voluntary and community sector are represented to statutory bodies and others through formal and informal channels. During the year we have continued our role on the Local Strategic Partnership and the Officers group of the Economy and Learning Partnership among others. In pursuit of our agenda for increasing opportunities for the sector to become actively involved in policy development we have initiated a new forum of Councils for Voluntary Service from across the MKSM Growth area, co-ordinated development of a Community Development Network for those involved in community work and supported the development of the What Works Group, promoting wider involvement in design and planning issues.

Practical support services continued to be offered to underpin the functioning of local groups. During the year InCCA, the Information Centre for Community Action again dealt with around 1,000 enquiries on a variety of subjects. Consolidation of the services provided by InCCA and its growing track record led to a successful application to the Big Lottery resulting in three year support for a funding Advice Worker. September 2004 heralded the start of the 'Sharing Solutions Project' funded by the Learning and Skills Council to support workforce development and capacity building in the voluntary and community sector. Not only has this project delivered training opportunities, it has revealed additional areas of work which have subsequently received funding.

Sustainable development of local voluntary and community activity has been achieved through the continued development of the Community Mobiliser service. Funded by the Children's Fund, there were up to ten Community Mobilisers working in local communities alongside children aged 5-13 years and their families. A testimony to the success of the service is that in two areas where funding cuts meant that there could no longer be a Mobiliser presence, local pressure from service users resulted in additional funding being secured from, in one instance, the local school, and in the other, from the Parish Council.

All of this planned activity took place against a background of a rapidly moving agenda set by Central Government. As part of its programme to improve service delivery by the voluntary and community sector the government announced major investment in the support services provided to those groups. Known as Change Up, this programme demands that each local area should agree an Infrastructure Development Plan by March 2006. In Milton Keynes, Change Up has provided an ideal opportunity for the voluntary and community sector to take stock, develop an approach to the way forward and offer a positive contribution to the community strategy, however, it has involved MKCVO's staff in considerable unplanned work which has been a challenge.

MILTON KEYNES COUNCIL OF VOLUNTARY ORGANISATIONS

REPORT OF THE TRUSTEES continued

The Board of Trustees acknowledges that the success of the activities carried out by the CVO in the past year is due to the commitment and enthusiasm of the staff and volunteers. We would like to thank them for all their effort and we are looking forward to working with them on the next stage of development

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

Total incoming resources increased by 59% and outgoing resources by 67% mainly as a result of the level of activity on the Children's Fund. Free unrestricted reserves amounted to £51,215 at the year end.

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 £1,035 (2004 £1,401)

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 21/10 / 2005



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 7 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.

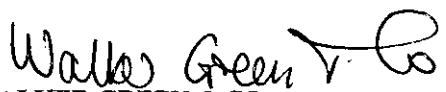
Basis of opinion

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 2005 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

23/1/06

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 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%
-----------------------	-----

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 removal and refurbishment costs 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 2005

	Notes	Unrestricted funds £	Restricted funds £	2005 Total funds £	2004 Total funds £
Incoming resources					
Subscriptions		43		43	1,977
Activities to further the charity's objects					
Grants & contracts for advice, information & training	1	442,677	114,848	557,525	350,142
Income from core services		57,879		57,879	33,838
Activities for generating funds					
Investment income	2	1,035		1,035	1,401
Total incoming resources		<u>501,634</u>	<u>114,848</u>	<u>616,482</u>	<u>387,358</u>
Resources expended					
<i>Charitable expenditure</i>					
Costs of activities in furtherance of the charity's objects:					
Information and education		486,280	96,202	582,482	358,493
Management and administration		6,579	-	6,579	4,204
Removal & refurbishment costs		29,678		29,678	8,000
Total resources expended	3	<u>522,537</u>	<u>96,202</u>	<u>618,739</u>	<u>370,697</u>
Net (outgoing) incoming resources		-20,903	18,646	-2,257	16,661
Transfers		7,012	-7,012	-	
Fund balances brought forward 1st April 2004		74,743	62,887	137,630	120,969
Fund balances carried forward 31st March 2005	9	<u>60,852</u>	<u>74,521</u>	<u>135,373</u>	<u>137,630</u>

MILTON KEYNES COUNCIL OF VOLUNTARY ORGANISATIONS

BALANCE SHEET as at 31 March 2005

	Notes	2005 £	2004 £
Fixed Assets	6		
Tangible fixed assets		9,637	1
Current Assets			
Debtors	7	109,251	54,544
Cash at bank and in hand		<u>123,834</u>	<u>110,532</u>
		233,085	165,076
Creditors: amount falling due within one year	8	-107,349	-27,447
Net current assets		<u>125,736</u>	<u>137,629</u>
Total net assets		<u>£ 135,373</u>	<u>£ 137,630</u>
Funds:			
Unrestricted funds	9	51,215	44,743
Designated fund	9	9,637	30,000
Restricted funds	9	74,521	62,887
Total funds		<u>£ 135,373</u>	<u>£ 137,630</u>

The financial statements were approved by the Board of Trustees on 31/10/2005.

Chair *RH Salter* R Salter
Treasurer *T T Dimmock* T T Dimmock

MILTON KEYNES COUNCIL OF VOLUNTARY ORGANISATIONS

NOTES forming part of the financial statements for the year ended 31 March 2005

1. Grants & contractual income

	Unrestricted 2005	Restricted 2005	Total 2004
MK Council	84,620	-	84,613
MK Community Foundation		8,166	27,177
Global Centre		13,670	-
VOICE		11,441	350
Oxford County Council - Silk Project		-	16,450
Growth Champions		152	-
LSP Forum		-	7,280
Learning & Skills Council		36,469	51,733
English Partnerships		-	42,000
Widening Participation - BME Groups		13,400	-
The Childrens Fund	358,057	-	109,876
Early Spend Project		17,650	-
Somali Youth Project		-	5,713
Property Project		9,900	4,950
CIO projects		4,000	-
	<u>442,677</u>	<u>114,848</u>	<u>350,142</u>

2. Investment income

	2005	2004
Interest receivable	1,035	1,401

3. Total resources expended

	Staff costs	Other direct costs	Total	Total
Information & education	315,554	214,402	529,956	310,640
Support costs	-	52,526	52,526	47,853
Removal & refurbishment costs	-	29,678	29,678	8,000
Management & administration	-	6,579	6,579	4,204
	<u>315,554</u>	<u>303,185</u>	<u>618,739</u>	<u>370,697</u>

Other direct costs include:

	2005	2004
Audit fee	1,410	1,410
Depreciation	9,636	1,888

MILTON KEYNES COUNCIL OF VOLUNTARY ORGANISATIONS

NOTES forming part of the financial statements for the year ended 31 March 2005 (continued)

4. Trustees' remuneration & expenses

The trustees neither received nor waived any emoluments nor out of pocket expenses during the year. (2004 nil)

	2005	2004
5. Staff costs		
Wages & salaries	284,003	72,193
Social security costs	27,440	6,870
Pension costs	4,111	3,123
	<u>315,554</u>	<u>82,186</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 2004	29,166
Additions during year	<u>19,272</u>
Cost at 31st March 2005	<u>48,438</u>
Depreciation at 1 April 2004	29,165
Charge for year	<u>9,636</u>
Depreciation at 31 March 2005	<u>38,801</u>
Net book value 31 March 2005	<u>9,637</u>
Net book value 31 March 2004	<u>1</u>

7. Debtors

	2005	2004
Trade debtors	107,878	50,665
Prepayments	<u>1,373</u>	<u>3,879</u>
	<u>109,251</u>	<u>54,544</u>

8. Creditors: amounts falling due within one year

Trade creditors	8,029	18,037
Accruals & income received in advance	<u>99,320</u>	<u>9,410</u>
	<u>107,349</u>	<u>27,447</u>

MILTON KEYNES COUNCIL OF VOLUNTARY ORGANISATIONS

NOTES forming part of the financial statements for the year ended 31 March 2005 (continued)

9. Statement of funds

	At 1 April 2004	Income	Expenditure	At 31 March 2005
General reserve	44,743	501,634	-522,537	51,215
Transfer from designated reserve		30,000		
Transfers - restricted funds		7,012		
Transfers - designated funds		-	-9,637	
Designated Reserve	30,000			9,637
Transfer - general funds		9,637	-30,000	-
Total unrestricted funds	<u>74,743</u>	<u>538,646</u>	<u>-532,174</u>	<u>60,852</u>

The designated fund represents the written down value of fixed assets which are not expendable.

Restricted funds

Information & education	59,143	113,848	-91,458	74,521
Transfers	-		-7,012	
Capital modernisation fund	2,402	-	-2,402	-
	-			
Start up grants	1,342	1,000	-2,342	-
	<u>62,887</u>	<u>114,848</u>	<u>-103,214</u>	<u>74,521</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 and is now fully expended.

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.