

**REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 JULY 2013
FOR
MOTOV8**

WEDNESDAY



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FOR THE YEAR ENDED 31 JULY 2013**

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**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 JULY 2013**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 July 2013. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

5164772 (England and Wales)

Registered Charity number

1105012

Registered office

Apple Tree Cottage
31 Napleton Lane
Kempsey
Worcestershire
WR5 3PX

Trustees

Mrs K D Badger
Reverend M Badger
A M Nicholls

Company Secretary

Reverend M Badger

Independent examiner

Ballard Dale Syree Watson LLP
11c Kingswood Road
Hampton Lovett
Droitwich
Worcestershire
WR9 0QH

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Recruitment and appointment of new trustees

Charity trustees are elected by existing trustees on the basis of nominations received and previous involvement in the activities of the charity.

Induction and training of new trustees

New trustees are inducted into the workings of the charity, including policies and procedures, during organised induction visits. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Organisational structure

The Charity trustees are legally responsible for the management and control of the charity. The Board of Trustees meets at least quarterly. The Board delegates executive powers to the Managing Director for the day to day running of the charity's activities.

Public benefit

The charity trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission; the trustees consider that the charity meets the public benefit requirements of the Commission by carrying out its normal activities.

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 JULY 2013

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. The consideration of risk is delegated to the Managing Director, risks identified are assessed and controls established throughout the year. A review of risk management procedures is undertaken on an annual basis.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objectives of the charity are to advance education, reduce crime and anti-social behaviour, and to set up, run, supervise and co-operate in the operation of programmes for the education of young persons, particularly those who may have come into contact with the criminal justice system and/or who may be in danger of exclusion or have been excluded from school, with a view to facilitating their physical, mental and spiritual development and the development of their potential capabilities so that they may play a full role as individuals and members of society.

Significant activities

The charity offers approved programmes of study in Motor Vehicle Maintenance and Repair, Autobody Repair, Auto Paint Refinishing, Functional Skills and Personal Social Development. Learners are referred by the Local Authority, Secondary Schools and PRUs.

The charity also operates Further Education Courses, and a cycle workshop refurbishing unwanted cycles and offering service and repair to the general public through which students are offered periods of sheltered work placement.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

With changes to both local and national educational policy, the charity has been faced with planning for a very uncertain and volatile future.

Changes in policy relating to vocational education, funding mechanisms and referral mechanisms has meant a reduction in both funding and referrals, this, alongside increased running costs, has demanded careful consideration of future structures and activities.

It became obvious to the board that delivery of the Motor Vehicle element of our activities was simply too expensive and unsustainable, therefore the decision was taken to cease this provision and undertake a strategic restructure of our activities.

After careful consideration of the changing needs of young people within our areas of activity, it was decided that future provision would be based around mentoring, work experience and skills for the working world.

FINANCIAL REVIEW

Reserves policy

It is a policy of the trustees to designate sufficient funds to enable the charity to sustain operations for a period of 12 months should income generating activities be curtailed, the trustees consider that the required level of these designated reserves is £325,000 and this amount is included in the General Fund reserves at 31 July 2013 of £471,437.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD



Reverend M Badger - Trustee

Date 22/4/14

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF MOTOV8

I report on the accounts for the year ended 31 July 2013 set out on pages four to nine

Respective responsibilities of trustees and examiner

The charity's trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year (under Section 144(2) of the Charities Act 2011 (the 2011 Act)) and that an independent examination is required

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to

- examine the accounts under Section 145 of the 2011 Act
- to follow the procedures laid down in the General Directions given by the Charity Commission (under Section 145(5)(b) of the 2011 Act), and
- to state whether particular matters have come to my attention

Basis of the independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statements below

Independent examiner's statement


In connection with my examination, no matter has come to my attention

(1) which gives me reasonable cause to believe that, in any material respect, the requirements

- to keep accounting records in accordance with Section 386 and 387 of the Companies Act 2006, and
- to prepare accounts which accord with the accounting records, comply with the accounting requirements of Sections 394 and 395 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice Accounting and Reporting by Charities

have not been met, or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached



G W Ballard FCA
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WR9 0QH

Date

22/4/2014

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**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 JULY 2013**

	Notes	Unrestricted fund £	Restricted funds £	2013 Total funds £	2012 Total funds £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income		-	14,250	14,250	19,000
Investment income	2	4,922	-	4,922	739
Incoming resources from charitable activities					
Training		427,366	-	427,366	451,084
Other incoming resources		-	-	-	1,500
Total incoming resources		432,288	14,250	446,538	472,323
RESOURCES EXPENDED					
Charitable activities					
Training		518,366	18,603	536,969	470,879
Governance costs		5,371	-	5,371	4,604
Total resources expended		523,737	18,603	542,340	475,483
NET INCOMING/(OUTGOING) RESOURCES					
		(91,449)	(4,353)	(95,802)	(3,160)
RECONCILIATION OF FUNDS					
Total funds brought forward		567,239	43,239	610,478	613,638
TOTAL FUNDS CARRIED FORWARD		475,790	38,886	514,676	610,478

The notes form part of these financial statements

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**BALANCE SHEET
AT 31 JULY 2013**

	Notes	Unrestricted fund £	Restricted funds £	2013 Total funds £	2012 Total funds £
FIXED ASSETS					
Tangible assets	6	-	3,513	3,513	7,866
CURRENT ASSETS					
Debtors	7	154,985	-	154,985	20,453
Cash at bank and in hand		447,567	40,746	488,313	619,872
		<u>602,552</u>	<u>40,746</u>	<u>643,298</u>	<u>640,325</u>
CREDITORS					
Amounts falling due within one year	8	(126,762)	(5,373)	(132,135)	(37,713)
NET CURRENT ASSETS		<u>475,790</u>	<u>35,373</u>	<u>511,163</u>	<u>602,612</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>475,790</u>	<u>38,886</u>	<u>514,676</u>	<u>610,478</u>
NET ASSETS		<u>475,790</u>	<u>38,886</u>	<u>514,676</u>	<u>610,478</u>
FUNDS	9				
Unrestricted funds				475,790	567,239
Restricted funds				38,886	43,239
TOTAL FUNDS				<u>514,676</u>	<u>610,478</u>

The notes form part of these financial statements

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**BALANCE SHEET - CONTINUED
AT 31 JULY 2013**

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 July 2013

The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 July 2013 in accordance with Section 476 of the Companies Act 2006

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved by the Board of Trustees on
signed on its behalf by

22/4/14

and were



Reverend M Badger -Trustee

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2013**

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Companies Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy

Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Plant and machinery	- 25% on cost
Fixtures and fittings	- 25% on cost
Computer equipment	- 25% on cost

Taxation

The charity is exempt from corporation tax on its charitable activities

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements

2 INVESTMENT INCOME

	2013	2012
	£	£
Bank interest	4,922	739
	<u>4,922</u>	<u>739</u>

3 NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting)

	2013	2012
	£	£
Depreciation - owned assets	4,353	10,655
Surplus on disposal of fixed asset	-	(1,500)
	<u>4,353</u>	<u>9,155</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 JULY 2013

4 TRUSTEES' REMUNERATION AND BENEFITS

A trustee, the Rev M Badger, is also employed by the charity as Managing Director. His remuneration for the year was £35,000 (2012 £35,000). This position has been sanctioned by the charity's constitution, and the level of remuneration is determined by the other trustees.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 July 2013 nor for the year ended 31 July 2012.

5 STAFF COSTS

	2013	2012
	£	£
Wages and salaries	<u>375,087</u>	<u>288,178</u>

The average monthly number of employees during the year was as follows

2013	2012
-	-
<u>-</u>	<u>-</u>

No employees received emoluments in excess of £60,000

6 TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 August 2012 and 31 July 2013	<u>48,403</u>	<u>4,008</u>	<u>34,759</u>	<u>87,170</u>
DEPRECIATION				
At 1 August 2012	42,428	4,008	32,868	79,304
Charge for year	<u>3,302</u>	<u>-</u>	<u>1,051</u>	<u>4,353</u>
At 31 July 2013	<u>45,730</u>	<u>4,008</u>	<u>33,919</u>	<u>83,657</u>
NET BOOK VALUE				
At 31 July 2013	<u>2,673</u>	<u>-</u>	<u>840</u>	<u>3,513</u>
At 31 July 2012	<u>5,975</u>	<u>-</u>	<u>1,891</u>	<u>7,866</u>

7 DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013	2012
	£	£
Debtors and prepayments	<u>154,985</u>	<u>20,453</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 JULY 2013

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £	2012 £
Other creditors	35,374	35,373
Accrued expenses	96,761	2,340
	<u>132,135</u>	<u>37,713</u>

9 MOVEMENT IN FUNDS

	At 1 8 12 £	Net movement in funds £	At 31.7 13 £
Unrestricted funds			
General fund	567,239	(91,449)	475,790
Restricted funds			
Capital Reserve	43,239	(4,353)	38,886
TOTAL FUNDS	<u>610,478</u>	<u>(95,802)</u>	<u>514,676</u>

Net movement in funds, included in the above are as follows

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	432,288	(523,737)	(91,449)
Restricted funds			
Capital Reserve	-	(4,353)	(4,353)
General Restricted	14,250	(14,250)	-
	<u>14,250</u>	<u>(18,603)</u>	<u>(4,353)</u>
TOTAL FUNDS	<u>446,538</u>	<u>(542,340)</u>	<u>(95,802)</u>

10 DESIGNATED FUND

It is a policy of the trustees to designate sufficient funds to enable the charity to sustain operations for a period of 12 months should income generating activities be curtailed, the trustees consider that the required level of these designated reserves is £325,000 and this amount is included in the General Fund reserves, leaving £146,437 as "free" reserves

11. RESTRICTED FUNDS

The Capital Reserve Restricted Fund comprises a loan from the Dragon Fund, the net book value of fixed assets and the balance of cash received for the purchase of fixed assets

The General Restricted Fund comprises grants received from other charitable organisations and Local Government agencies for specific purposes