

5164772.

Chartered Accountants

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LLP



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**REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 JULY 2011
FOR
MOTOV8**

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COMPANIES HOUSE

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FOR THE YEAR ENDED 31 JULY 2011**

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 JULY 2011

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 2011. 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

Unit 2
Mill Works
Gregory's Mill Street
Worcester
Worcestershire
WR3 8BA

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 the duty in section 4 of the Charities Act 2006 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 Act by carrying out its normal activities.

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 JULY 2011

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

During the past 12 months the charity has continued to expand its activities within the area of Motor Vehicle Studies seeing growth in student numbers, particularly in relation to our Level 2 Further Education Programme. Increased student numbers has necessitated an increase in staffing levels and the charity has responded with the appointment of suitably qualified staff. The charity has also increased capacity with new premises in both Kidderminster and Hereford.

We are delighted that our work and the work of the students has once again been recognised by our Awarding Body IMI Awards Ltd at their Outstanding Achievers Awards 2011. Motov8 was named IMI Specialist Centre of the year and two of our students were awarded winner and runner up respectively in the Outstanding Technical Student of the Year Category (FF).

The charity has also secured a two year contract for the provision of Foundation Learning within the counties of Herefordshire and Worcestershire and continues to develop its links with Kidderminster College in the delivery of joint programmes and initiatives.

With the uncertainty of the financial climate and changes in educational policy, the board of directors holds firm to its reserves policy and stringent financial management of the organisation's resources. However, the board also believes that the charity must adapt, change and move forward in response to market forces and so supports further expansion and diversification of activities.

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 2011 of £552,245.

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

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**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 JULY 2011**

ON BEHALF OF THE BOARD


Reverend M Badger - Trustee

Date 21/10/11

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
MOTOV8**

I report on the accounts for the year ended 31 July 2011 set out on pages five to ten

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 43(2) of the Charities Act 1993 (the 1993 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 43 of the 1993 Act
- to follow the procedures laid down in the General Directions given by the Charity Commission (under Section 43(7)(b) of the 1993 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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Date 11 Nov 2011

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STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 JULY 2011

	Notes	Unrestricted funds £	Restricted funds £	2011 Total funds £	2010 Total funds £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income		12,556	25,000	37,556	61,528
Investment income	2	342	-	342	342
Incoming resources from charitable activities					
Training		435,930	-	435,930	438,044
Total incoming resources		448,828	25,000	473,828	499,914
RESOURCES EXPENDED					
Charitable activities					
Training		364,628	37,298	401,926	378,198
Governance costs		4,377	-	4,377	3,333
Total resources expended		369,005	37,298	406,303	381,531
NET INCOMING/(OUTGOING) RESOURCES before transfers					
		79,823	(12,298)	67,525	118,383
Gross transfers between funds	9	306	(306)	-	-
Net incoming/(outgoing) resources		80,129	(12,604)	67,525	118,383
RECONCILIATION OF FUNDS					
Total funds brought forward		472,116	73,997	546,113	427,730
TOTAL FUNDS CARRIED FORWARD		552,245	61,393	613,638	546,113

The notes form part of these financial statements

BALANCE SHEET
AT 31 JULY 2011

	Notes	Unrestricted funds £	Restricted funds £	2011 Total funds £	2010 Total funds £
FIXED ASSETS					
Tangible assets	6	-	13,175	13,175	22,113
CURRENT ASSETS					
Debtors amounts falling due within one year	7	22,408	-	22,408	12,477
Cash at bank and in hand		561,738	71,186	632,924	590,088
		<u>584,146</u>	<u>71,186</u>	<u>655,332</u>	<u>602,565</u>
CREDITORS					
Amounts falling due within one year	8	(31,901)	(22,968)	(54,869)	(78,565)
NET CURRENT ASSETS		<u>552,245</u>	<u>48,218</u>	<u>600,463</u>	<u>524,000</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>552,245</u>	<u>61,393</u>	<u>613,638</u>	<u>546,113</u>
NET ASSETS		<u>552,245</u>	<u>61,393</u>	<u>613,638</u>	<u>546,113</u>
FUNDS	9				
Unrestricted funds				552,245	472,116
Restricted funds				61,393	73,997
TOTAL FUNDS				<u>613,638</u>	<u>546,113</u>

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**BALANCE SHEET - CONTINUED
AT 31 JULY 2011**

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 July 2011

The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 July 2011 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

21/10/2011

and were



Reverend M Badger -Trustee

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2011**

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

	2011	2010
	£	£
Bank interest	<u>342</u>	<u>342</u>

3. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting)

	2011	2010
	£	£
Depreciation - owned assets	<u>12,297</u>	<u>13,198</u>

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 JULY 2011**

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 (2010 £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 2011 nor for the year ended 31 July 2010.

5. STAFF COSTS

	2011 £	2010 £
Wages and salaries	<u>247,390</u>	<u>239,849</u>

6. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 August 2010	45,718	4,008	31,400	81,126
Additions	-	-	3,359	3,359
At 31 July 2011	<u>45,718</u>	<u>4,008</u>	<u>34,759</u>	<u>84,485</u>
DEPRECIATION				
At 1 August 2010	30,266	3,660	25,087	59,013
Charge for year	7,430	307	4,560	12,297
At 31 July 2011	<u>37,696</u>	<u>3,967</u>	<u>29,647</u>	<u>71,310</u>
NET BOOK VALUE				
At 31 July 2011	<u>8,022</u>	<u>41</u>	<u>5,112</u>	<u>13,175</u>
At 31 July 2010	<u>15,452</u>	<u>348</u>	<u>6,313</u>	<u>22,113</u>

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £	2010 £
Debtors and prepayments	<u>22,408</u>	<u>12,477</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £	2010 £
Other creditors	48,219	51,882
Accrued expenses	1,900	1,900
Deferred income	4,750	24,783
	<u>54,869</u>	<u>78,565</u>

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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 JULY 2011**

9 MOVEMENT IN FUNDS

	At 1.8.10 £	Net movement in funds £	Transfers between funds £	At 31.7.11 £
Unrestricted funds				
General fund	472,116	79,823	306	552,245
Restricted funds				
Capital Reserve	57,487	(12,298)	3,359	48,548
Bike Loan Scheme	16,510	-	(3,665)	12,845
	<u>73,997</u>	<u>(12,298)</u>	<u>(306)</u>	<u>61,393</u>
TOTAL FUNDS	<u><u>546,113</u></u>	<u><u>67,525</u></u>	<u><u>-</u></u>	<u><u>613,638</u></u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	448,828	(369,005)	79,823
Restricted funds			
General Restricted	25,000	(25,000)	-
Capital Reserve	-	(12,298)	(12,298)
	<u>25,000</u>	<u>(37,298)</u>	<u>(12,298)</u>
TOTAL FUNDS	<u><u>473,828</u></u>	<u><u>(406,303)</u></u>	<u><u>67,525</u></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 £227,245 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 Bike Loan Scheme Restricted Fund comprises refundable deposits held pending the return of bikes out on loan, deposits are £75 per bike

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

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**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 JULY 2011**

	2011 £	2010 £
INCOMING RESOURCES		
Voluntary income		
Grants	37,556	61,528
Investment income		
Bank interest	342	342
Incoming resources from charitable activities		
Tuition fees	416,357	415,081
Bike sales	12,040	11,790
Bike loan scheme	7,533	11,033
Other income	-	140
	<u>435,930</u>	<u>438,044</u>
Total incoming resources	473,828	499,914
RESOURCES EXPENDED		
Charitable activities		
Wages and salaries	247,390	239,849
Rent	39,653	41,573
Insurance	14,514	12,344
Utilities	12,223	9,609
Telephone	2,753	2,352
Office expenses	15,251	16,402
Workshop expenses and tools	21,275	23,197
Sundries	620	509
Travel expenses	2,318	2,152
Training and education	25,638	10,660
Advertising	3,989	1,388
Bike maintenance and repairs	4,004	4,965
Plant and machinery depreciation	7,430	8,398
Fixtures and fittings depreciation	308	815
Computer equipment depreciation	4,560	3,985
	<u>401,926</u>	<u>378,198</u>
Governance costs		
Independent examination	2,553	2,321
Other legal and professional	1,824	1,012
	<u>4,377</u>	<u>3,333</u>
Total resources expended	406,303	381,531
Net income	<u><u>67,525</u></u>	<u><u>118,383</u></u>

This page does not form part of the statutory financial statements