

**Registered number: 02987866**

**Charity number: 1042475**

**Council for Voluntary Service (Medway)**

**Operating as:**

**Medway Voluntary Action (MVA)**

**(A company limited by guarantee)**



**Unaudited**

**Trustees' report and financial statements**

**For the year ended 31 December 2018**

Registered number: 02987866  
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**Medway Voluntary Action**  
**(A company limited by guarantee)**

**Reference and administrative details of the company, its trustees and advisers  
for the period ended 31 December 2018**

**Trustees**

P C Stokes, Chairman  
T A Clarke, Vice Chair  
J Paton (resigned 1 June 2018)  
G Viggers  
L S F Riley  
I Walters  
L Turner (appointed 20 November 2018)  
H Hawkins (resigned 9 October 2018)  
R B Ebaretonbofa-Morah (appointed 20 November 2018)  
D Green (appointed 20 November 2018)  
L McVeigh (appointed 20 November 2018)  
V Rama (appointed 20 November 2018)

**Company registered number**

02987866

**Charity registered number**

1042475

**Registered office**

5A New Road Avenue  
Chatham  
ME4 6BB

**Chief executive officer**

J Howard

**Accountants**

Kreston Reeves LLP  
Chartered Accountants  
Statutory Auditor  
Montague Place  
Quayside  
Chatham Maritime  
Chatham  
Kent  
ME4 4QU

**Bankers**

Co-operative Bank plc  
6 Olympic Court  
Montford Street  
Salford  
M5 2QP

**Medway Voluntary Action**  
(A company limited by guarantee)

**Trustees' report**  
for the period ended 31 December 2018

The Trustees present their Annual Report together with the Financial Statements of Council for Voluntary Service (Medway) for the period ended 31 December 2018.

Since the company qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

As a result of a re brand in August 2014, the company is now operating as Medway Voluntary Action (MVA), the name contained within the rest of this report

**Objectives and Activities**

**Policies and objectives**

The principal objects of the company are to promote any charitable object or purpose for the benefit of the community, primarily but not exclusively, within the Medway area and in particular, but not exclusively, the following:

1. The provision, or assistance in the provisioning of, the development of facilities in the interest of social welfare, including social activities, with the object of improving the conditions of life for the local community.
2. To provide for the protection of health, and the relief of poverty, distress and sickness.
3. The advancement of education and learning.

**Strategies for achieving objectives**

Medway Voluntary Action is a local development support organisation that leads, facilitates and supports a thriving Voluntary and Community Sector (VCS) in Medway.

**Our mission is to:**

Be a catalyst for social change to support and empower Medway communities to come together to help improve their lives and solve problems that are important within their communities.

**Our strategic aims are:**

- To be a central hub of information, support and guidance
- To seed and nurture sustainable local projects
- To be the mandated voice of the VCSE to influence local services, represent its views and facilitate cross-sector dialogue
- To maximise opportunities for income generation, funding and sustainability for the VCS

**Activities for achieving objectives**

Medway Voluntary Action sold the building at 5a New Road Avenue, Chatham, but continue to occupy it as tenants within the community 'hub' that provides office accommodation for voluntary and community organisations together with meeting rooms, used by a range of organisations to deliver services, training and networking opportunities .

In line with previous contracts from Medway Council and our newly awarded 3 year contract, we provide 1:1 support for new and existing not-for-profits on subjects such as business planning, governance and applying for funding amongst a range of other specialist expertise, low cost training to the sector, access to volunteering opportunities and guidance for individuals and support to organisations to recruiting and managing volunteers; we have recently been awarded the 'Revamp' quality mark for best practice recruitment and management of volunteers.

**Medway Voluntary Action**  
(A company limited by guarantee)

**Trustees' report (continued)**  
**for the period ended 31 December 2018**

**Activities for achieving objectives continued**

We also represent the sector by the utilisation of multi-method feedback mechanisms. This information is presented to a number of statutory collectives and impacts on policy formulation and implementation.

Additional services are provided by extensive information utilising advanced communication mechanisms and social media platforms to the voluntary and community sector. The information includes funding opportunities, details of consultations by local and national bodies, information on changes to legislation and compliance and updates from bodies such as the Medway Safeguarding Children's Board. We have developed and published an online information hub that includes a directory of organisations VC Connect, and activities that serve Medway. This new platform, 'Connect Well Medway', will act as the central VCS activity information source to support Medway's developing Social Prescribing scheme.

For the last two years we have been a partner in the 'Involving Medway' pilot, funded by Medway Clinical Commissioning Group (CCG). Our role was to set up and manage the functions of a Health network to maximise opportunities for CCG engagement with key stakeholders in the VCS. Evaluation demonstrated the usefulness of this network to the sector in having the opportunity to respond directly to consultation, and the CCG in meeting their statutory duty to engage with communities on the implementation of strategic developments in delivering health services in Medway.

We have also been successful in obtaining funding from Medway Clinical Commissioning Group for a one year pilot to explore different approaches to Befriending. This pilot will be fully evaluated to ascertain the impact of befriending on reducing demand on NHS services, social isolation and loneliness.

In order to facilitate a collaborative and coherent approach to service delivery, we continue to offer opportunities for networking and engagement as part of our role as the permanent secretariat to the Medway Leaders' Network which brings together leaders of organisations large and small to give senior leaders in Medway VCS organisations a strong voice, to influence the statutory sector, to promote good practice, and to collectively drive engagement and improvements in the sector and within the wider community. This group is proactively steered by an Executive of committed leaders, known as the VCS Leaders Steering Group.

We have also facilitated the delivery of events that enable the sector to hear from experts on subjects such as social investment, fund raising and the roles and responsibilities of Trustees.

This support aids the development and enhances the potential for sustainability of VCS organisations and their ability to contribute to supporting and empowering Medway communities. MVA senior staff sit on a range of statutory strategic boards to represent the sector and influence policy going forward to ensure that the feedback from the VCS is taken into consideration.

**Main activities undertaken to further the Charity's purposes for the public benefit**

MVA is located in a central and accessible position within Medway and acts as focal point for local charities and community groups. In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'.

**Achievements and performance**

**Key financial performance indicators**

Since the inception of its previous infrastructure contract with Medway Council, MVA has supported its core operation, primarily from past reserves while the several projects funded from related restricted funds have run down. This is reflected in the significantly reduced net expenditure shown in the statement of financial activities. To further develop the ability of MVA to provide enhanced services to the sector, the Board made the decision to sell the building to release capital and staff capacity to underpin this development to support sustainability and services to the Medway communities.

**Medway Voluntary Action**  
(A company limited by guarantee)

**Trustees' report (continued)**  
**for the period ended 31 December 2018**

**Review of activities**

We continue to follow our strategic plan which places emphasis on developing resilient communities in addition to continuing to support the VCS. We will also direct our resources to extend our role as being a central hub of information, support and guidance, and maximise opportunities for income generation to support the sustainability of the VCS.

**Reserves policy and going concern**

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the Financial Statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

The trustees have established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets held by the charity should be 6 months of the annual resources expendable, which equates to £99,336 expenditure. At present the free reserves (excluding designated reserves) amount to £126,032. The board of trustees continually reviews the financial risks and makes plans to maximise opportunities for the charity's sustainability.

**Principal funding**

The principal funding of the charity is derived from the infrastructure contract with Medway Council established in 2013. The original term of the contract was for 3 years expected to expire in March 2016 but has been extended twice to April 2018 and then again to the 31st December 2018. As a result of a tendering process, MVA have been successful in being awarded a further contract to deliver infrastructure services from the 1st January 2019 for three years.

**Structure, governance and management Constitution**

Council for Voluntary Service (Medway) is a company limited by guarantee governed by its Memorandum and Articles of Association dated 20 September 1994 and is a registered charity number 1042475.

**Method of appointment or election of trustees**

The power of appointment of trustees is vested in the existing trustees, subject to ratification at the Annual General Meeting. Trustees are recruited from a wide range of backgrounds to ensure an appropriate mix of skills and experience in line with the values of the organisation.

**Policies adopted for the induction and training of Trustees**

New trustees are provided with an induction pack and all trustees are encouraged to attend appropriate training courses.

**Pay policies for senior staff**

The board of trustees aim to pay senior staff a fair salary that is competitive within the charity sector and proportionate to the complexity of each role. The Trustees are responsible in line with our charitable objectives based on the following principle:

- Pay our staff an appropriate salary to attract and retain people with the leadership, experience, knowledge and skills required to lead the transformation we are undergoing.

**Organisation structure and decision making**

The role of the board of trustees is to set the charity's strategic direction, monitor the delivery of its objectives, uphold its values and governance and guide, advise and support the CEO, who is responsible for day to day management decisions and leads the team towards achieving the charity's vision and purpose.

**Medway Voluntary Action**  
(A company limited by guarantee)

**Trustees' report (continued)**  
**for the period ended 31 December 2018**

**Related party relationships**

None of our trustees receive remuneration or other benefit from their work with the charity. Any connection between a trustee or senior manager of the charity with any business or activities of the charity must be disclosed to the full board of trustees in the same way as any other contractual relationship with a related party. In the current year, no such related party transactions were reported.

**Risk management**

The trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

This work has identified that the reliance on the single contract with Medway Council and therefore the charity's longer term financial sustainability is the major financial risk for the charity. This is reflected in the Reserves Policy, referred to above, and a key element in the management of financial risk is a regular review of available liquid funds to settle debts as they fall due, regular liaison with the bank, and active management of trade debtors and creditors balances to ensure sufficient working capital by the Trust.

**Plans for future periods**

**Future developments**

- Developing communities in Medway
- Extending our role as a central hub of information, support and guidance
- To diversify our income including the development of fee paying work
- Continuing to develop relationships with key stakeholders to maximise outcomes for the VCS
- Harnessing the resources of the sector through partnership working
- Further enhancing our communications platforms
- Maximising opportunities for our own sustainability
- Develop our training offer across all sectors

We are mindful of pressures on the health service, growing numbers experiencing social isolation and loneliness, and increasing issues associated with housing and homelessness. Trustees have prioritised these issues in developing four key areas as follows:

**Infrastructure** – MVA will continue to provide Infrastructure support to the VCS as per the requirements of our contract. Additionally this will include enhanced fee paying consultancy services to new, developing and established organisations to assist them to fulfil their potential in servicing the Medway community, and also to the wider market. The aim is to build relationships within the private sector and encourage activity around corporate social responsibility.

**Training** – We will continue to provide statutory and bespoke training utilising a range of media formats by developing a focused portfolio to meet the needs of the VCS and other organisations in the community and offering post training support in the form of consultancy or coaching. Our in-house (or 'on site') training offer will be extended to bespoke training solutions for the voluntary and private sector.

**Befriending** – MVA's piloted Befriending service will be developed with the intention of investigating the feasibility of a long term 'hub' to provide group support to its beneficiaries. We will maximise partnership opportunities in developments going forward.

**Health** – We aim to extend our mediation services to other beneficiaries to offer a Medway wide mediation service. Medway Voluntary Action will also look to work with key health support services to maintain a directory of activities (Connect Well Medway) to signpost those in need of additional support and encouragement to engage in social activities and groups to help reduce pressure on GP and hospital services and to support developments contained within the NHS Long Term Plan as they relate to Medway.



**Medway Voluntary Action**  
**(A company limited by guarantee)**

**Trustees' report (continued)**  
**for the period ended 31 December 2018**

**Trustees' responsibilities statement**

The Trustees (who are also directors of Council for Voluntary Service (Medway) for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the Trustees on \_\_\_\_\_ and signed on their behalf by:

**P C Stokes**

**Medway Voluntary Action**  
**(A company limited by guarantee)**

**Independent examiner's report**  
**for the period ended 31 December 2018**

**Independent examiner's report to the Trustees of Medway Voluntary Action (the 'company')**

I report to the charity Trustees on my examination of the accounts of the company for the period ended 31 December 2018.

This report is made solely to the company's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the company's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the company and the company's Trustees as a body, for my work or for this report.

**Responsibilities and basis of report**

As the Trustees of the company (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the company's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

**Independent examiner's statement**

I have completed my examination. I can confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Signed:

Dated:

Susan Robinson BA FCA FCIE DChA MCFI

Kreston Reeves  
Chatham Maritime

**Medway Voluntary Action**  
**(A company limited by guarantee)**

**Statement of financial activities incorporating income and expenditure account  
for the period ended 31 December 2018**

	Note	Restricted funds Period Ended 31 December 2018 £	Unrestricted funds Period Ended 31 December 2018 £	Total funds Period Ended 31 December 2018 £	Total funds Year Ended 31 March 2018 £
<b>Income from:</b>					
Donations and legacies	2	13,000	78,583	91,583	114,018
Other trading activities	3	-	35,454	35,454	87,949
Investments	4	-	57	57	59
Other income	5	-	8,772	8,772	10,891
<b>Total income</b>		<b>13,000</b>	<b>122,866</b>	<b>135,866</b>	<b>212,917</b>
<b>Expenditure on:</b>					
Charitable activities	6	13,440	149,004	162,444	209,973
<b>Total expenditure</b>		<b>13,440</b>	<b>149,004</b>	<b>162,444</b>	<b>209,973</b>
<b>Net income / (expenditure) before transfers</b>		<b>(440)</b>	<b>(26,138)</b>	<b>(26,578)</b>	<b>2,944</b>
Transfers between Funds	16	(547,993)	547,993	-	-
<b>Net income / (expenditure) before other recognised gains and losses</b>		<b>(548,433)</b>	<b>521,855</b>	<b>(26,578)</b>	<b>2,944</b>
Gains on Sale of Property	10	168,002	-	168,002	-
<b>Net movement in funds</b>		<b>(380,431)</b>	<b>521,855</b>	<b>141,424</b>	<b>2,944</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		387,313	155,644	542,957	540,013
<b>Total funds carried forward</b>		<b>6,882</b>	<b>677,499</b>	<b>684,381</b>	<b>542,957</b>

The notes on pages 11 to 22 form part of these financial statements.

**Medway Voluntary Action**  
**(A company limited by guarantee)**  
**Registered number: 02987866**

**Balance sheet**  
**as at 31 December 2018**

	Note	31 December 2018 £	£	31 March 2018 £
<b>Fixed assets</b>				
Tangible assets	10	3,474		462,675
<b>Current assets</b>				
Debtors	11	2,594	6,828	
Cash at bank and in hand		<u>689,945</u>	<u>134,129</u>	
		692,539	140,957	
<b>Creditors: amounts falling due within one year</b>	12	<u>(11,632)</u>	<u>(21,875)</u>	
<b>Net current assets</b>		<u>680,907</u>		<u>119,082</u>
<b>Total assets less current liabilities</b>		<u>684,381</u>		<u>581,757</u>
<b>Creditors: amounts falling due after more than one year</b>	13	-		(38,800)
<b>Net assets</b>		<u>684,381</u>		<u>542,957</u>
<b>Charity Funds</b>				
Restricted funds	16	6,882		387,313
Unrestricted funds	16	<u>677,499</u>		<u>155,644</u>
<b>Total funds</b>		<u>684,381</u>		<u>542,957</u>

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The Trustees consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the period in question in accordance with section 476 of the Act.

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on \_\_\_\_\_ and signed on their behalf, by:

**P C Stokes**

The notes on pages 11 to 22 form part of these financial statements.

**Medway Voluntary Action**  
**(A company limited by guarantee)**

**Statement of cash flows**  
**for the period ended 31 December 2018**

	<b>Note</b>	<b>2018</b> <b>£</b>	<b>2018</b> <b>£</b>
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	18	<u>(24,535)</u>	<u>(28,156)</u>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		57	59
Proceeds from the sale of tangible fixed assets		623,294	-
Purchase of tangible fixed assets		-	(7,656)
<b>Net cash provided by/(used in) investing activities</b>		<u>623,351</u>	<u>(7,597)</u>
<b>Cash flows from financing activities:</b>			
Repayments of borrowings		(43,000)	(4,200)
<b>Net cash used in financing activities</b>		<u>(43,000)</u>	<u>(4,200)</u>
<b>Change in cash and cash equivalents in the period</b>		<b>555,816</b>	<b>(39,953)</b>
Cash and cash equivalents brought forward		<u>134,129</u>	<u>174,082</u>
<b>Cash and cash equivalents carried forward</b>	19	<u><u>689,945</u></u>	<u><u>134,129</u></u>

The notes on pages 11 to 22 form part of these financial statements.

**Medway Voluntary Action**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the period ended 31 December 2018**

**1. Accounting policies**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Medway Voluntary Action meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

**1.2 Tangible fixed assets and depreciation**

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities incorporating income and expenditure account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% straight line
Office equipment	-	25% straight line

**1.3 Company status**

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

**1.4 Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

**Medway Voluntary Action**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the period ended 31 December 2018**

**1. Accounting policies (continued)**

**1.5 Income**

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

**1.6 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Charitable activities and Governance costs are costs incurred on the company's educational operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

**1.7 Going concern**

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**1.8 Pensions**

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the period.

**1.9 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the Bank.

**1.10 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**1.11 Cash at Bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**Medway Voluntary Action**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the period ended 31 December 2018**

**1. Accounting policies (continued)**

**1.12 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**1.13 Financial instruments**

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**2. Income from donations and legacies**

	<b>Restricted funds Period Ended 31 December 2018 £</b>	<b>Unrestricted funds Period Ended 31 December 2018 £</b>	<b>Total funds Period Ended 31 December 2018 £</b>	<b>Total funds Year Ended 31 March 2018 £</b>
Donations	-	-	-	1
Government grants	<b>13,000</b>	<b>78,583</b>	<b>91,583</b>	114,017
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total donations and legacies</b>	<b>13,000</b>	<b>78,583</b>	<b>91,583</b>	114,018
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Year Ended 31 March 2018</b>	<b>6,642</b>	<b>107,376</b>	<b>114,018</b>	
	<hr/>	<hr/>	<hr/>	



**Medway Voluntary Action**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the period ended 31 December 2018**

**3. Income from other trading activities**

	<b>Restricted funds Period Ended 31 December 2018 £</b>	<b>Unrestricted funds Period Ended 31 December 2018 £</b>	<b>Total funds Period Ended 31 December 2018 £</b>	<b>Total funds Year Ended 31 March 2018 £</b>
Training income	-	8,216	8,216	16,543
Photocopying charges	-	972	972	525
Premises reimbursement	-	26,266	26,266	70,881
	<u>-</u>	<u>35,454</u>	<u>35,454</u>	<u>87,949</u>
<b>Total Year Ended 31 March 2018</b>	<u>-</u>	<u>87,949</u>	<u>87,949</u>	

**4. Income from investments**

	<b>Restricted funds Period Ended 31 December 2018 £</b>	<b>Unrestricted funds Period Ended 31 December 2018 £</b>	<b>Total funds Period Ended 31 December 2018 £</b>	<b>Total funds Year Ended 31 March 2018 £</b>
Deposit account interest	-	57	57	59
	<u>-</u>	<u>57</u>	<u>57</u>	<u>59</u>
<b>Total Year Ended 31 March 2018</b>	<u>-</u>	<u>59</u>	<u>59</u>	

**5. Other income**

	<b>Restricted funds Period Ended 31 December 2018 £</b>	<b>Unrestricted funds Period Ended 31 December 2018 £</b>	<b>Total funds Period Ended 31 December 2018 £</b>	<b>Total funds Year Ended 31 March 2018 £</b>
Sales and service income	-	5,956	5,956	10,891
Management fees	-	2,816	2,816	-
	<u>-</u>	<u>8,772</u>	<u>8,772</u>	<u>10,891</u>
<b>Total Year Ended 31 March 2018</b>	<u>-</u>	<u>10,891</u>	<u>10,891</u>	

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**6. Analysis of expenditure on charitable activities**

	<b>Restricted funds</b>	<b>Unrestricted funds</b>	<b>Total funds</b>	<b>Total funds</b>
	<b>Period</b>	<b>Period</b>	<b>Period</b>	<b>Year</b>
	<b>Ended 31</b>	<b>Ended 31</b>	<b>Ended 31</b>	<b>Ended 31</b>
	<b>December</b>	<b>December</b>	<b>December</b>	<b>March</b>
	<b>2018</b>	<b>2018</b>	<b>2018</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Direct costs (note 7)	13,440	149,004	162,444	209,973
	<u>13,440</u>	<u>149,004</u>	<u>162,444</u>	<u>209,973</u>
Total Year Ended 31 March 2018	2,160	207,813	209,973	
	<u>2,160</u>	<u>207,813</u>	<u>209,973</u>	

**7. Direct costs**

	<b>Restricted funds</b>	<b>Unrestricted funds</b>	<b>Total funds</b>	<b>Total funds</b>
	<b>Period</b>	<b>Period</b>	<b>Period</b>	<b>Year Ended</b>
	<b>Ended 31</b>	<b>Ended 31</b>	<b>Ended 31</b>	<b>31 March</b>
	<b>December</b>	<b>December</b>	<b>December</b>	<b>2018</b>
	<b>2018</b>	<b>2018</b>	<b>2018</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Equipment hire	-	1,607	1,607	4,361
Insurance	-	2,851	2,851	3,527
Legal & professional	-	9,064	9,064	6,191
Postage, printing and stationery	-	887	887	1,496
Premises expenses	-	4,169	4,169	12,500
Energy and water rates	-	6,198	6,198	6,520
Equipment costs	-	5,093	5,093	8,349
Rent	-	6,620	6,620	8,698
Telephone	-	2,136	2,136	5,474
Sessional work and training	-	4,359	4,359	8,977
Travel expenses	-	1,133	1,133	1,572
Staff and other expenses	-	495	495	1,323
Sundry expenses	-	7,898	7,898	3,049
Advertising and promotions	-	79	79	419
Project expenses	8,490	3,606	12,096	3,032
Independent examination fee	-	1,200	1,200	1,200
Payment to project partners	-	-	-	7,250
Wages and salaries	4,950	83,974	88,924	112,146
National insurance	-	4,065	4,065	5,554
Pension cost	-	2,054	2,054	2,689
Depreciation	-	1,516	1,516	5,646
	<u>13,440</u>	<u>149,004</u>	<u>162,444</u>	<u>209,973</u>

**Medway Voluntary Action**  
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**Notes to the financial statements**  
**for the period ended 31 December 2018**

**8. Net income/(expenditure)**

This is stated after charging:

	<b>Period Ended 31 December 2018 £</b>	<b>Year Ended 31 March 2018 £</b>
Depreciation of tangible fixed assets:		
- owned by the charity	1,516	5,646
Independent examination fee	1,200	1,200
	<u>          </u>	<u>          </u>

During the period, no Trustees received any remuneration (March 2018 - £Nil).

During the period, no Trustees received any benefits in kind (March 18 - £Nil).

During the period, one trustee received £84 in reimbursement of expenses (March 18 - 1 Trustee - £10).

**9. Staff costs**

Staff costs were as follows:

	<b>Period Ended 31 December 2018 £</b>	<b>Year Ended 31 March 2018 £</b>
Wages and salaries	88,924	112,146
Social security costs	4,065	5,554
Pension costs	2,054	2,689
	<u>          </u>	<u>          </u>
	<u>95,043</u>	<u>120,389</u>

The average number of persons employed by the company during the period was as follows:

	<b>Period Ended 31 December 2018 No.</b>	<b>Year Ended 31 March 2018 No.</b>
Administration staff	6	6

Average headcount expressed as a full time equivalent:

	<b>Period ended 31 December 2018 No.</b>	<b>Year Ended 31 March 2018 No.</b>
Administration staff	3	3

No employee received remuneration amounting to more than £60,000 in either year.

The total employment benefits including employer pension contributions and employer national insurance contributions of the key management personnel were £32,420 (Year to 31 March 2018 - £42,419).

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**Notes to the financial statements**  
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**10. Tangible fixed assets**

	Freehold property £	Office equipment £	Total £
<b>Cost</b>			
At 1 April 2018	490,243	19,768	510,011
Disposals	(490,243)	(3,190)	(493,433)
At 31 December 2018	<u>-</u>	<u>16,578</u>	<u>16,578</u>
<b>Depreciation</b>			
At 1 April 2018	34,951	12,385	47,336
Charge for the period	-	1,516	1,516
On disposals	(34,951)	(797)	(35,748)
At 31 December 2018	<u>-</u>	<u>13,104</u>	<u>13,104</u>
<b>Net book value</b>			
At 31 December 2018	<u>-</u>	<u>3,474</u>	<u>3,474</u>
At 31 March 2018	<u>455,292</u>	<u>7,383</u>	<u>462,675</u>

**11. Debtors**

	31 December 2018 £	31 March 2018 £
Trade debtors	290	6,828
Other debtors	300	-
Prepayments and accrued income	2,004	-
	<u>2,594</u>	<u>6,828</u>

**12. Creditors: Amounts falling due within one year**

	31 December 2018 £	31 March 2018 £
Other loans	-	4,200
Other creditors	6,003	5,942
Accruals and deferred income	5,629	11,733
	<u>11,632</u>	<u>21,875</u>

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**for the period ended 31 December 2018**

**12. Creditors: Amounts falling due within one year (continued)**

	£
<b>Deferred income</b>	
Deferred income at 1 April 2018	9,549
Resources deferred during the year	2,147
Amounts released from previous years	(9,525)
	<hr/>
Deferred income at 31 December 2018	<b>2,171</b>
	<hr/> <hr/>

**13. Creditors: Amounts falling due after more than one year**

	31 December 2018 £	31 March 2018 £
Other loans	-	38,800
	<hr/>	<hr/>

Creditors include amounts not wholly repayable within 5 years as follows:

	31 December 2018 £	31 March 2018 £
Repayable by instalments	-	38,800
	<hr/>	<hr/>

Included in creditors was a loan from Medway Council, payable over 25 years at a rate of interest of nil%. This loan is secured by way of a legal charge over property 5a New Road Avenue, Chatham, Kent. On the sale of the property in the period this loan was settled in full.

**14. Pension commitments**

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £2,054 (Year to 31 March 2018 - £2,677). Contributions totalling £Nil (Year to 31 March 2018 - £Nil) were payable to the fund at the balance sheet date and are included in creditors.

**15. Operating lease commitments**

At 31 December 2018 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

	31 December 2018 £	31 March 2018 £
<b>Amounts payable:</b>		
Within 1 year	12,143	2,143
Between 1 and 5 years	18,333	3,035
	<hr/>	<hr/>
Total	<b>30,476</b>	<b>5,178</b>
	<hr/> <hr/>	<hr/> <hr/>

**Medway Voluntary Action**  
(A company limited by guarantee)

**Notes to the financial statements**  
for the period ended 31 December 2018

**16. Statement of funds**

**Statement of funds - current year**

	Balance at 1 April 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2018 £
<b>Designated funds</b>						
Fixed Asset Fund	39,684	-	(1,516)	(34,694)	-	3,474
Service Development Fund	-	-	-	547,993	-	547,993
	<u>39,684</u>	<u>-</u>	<u>(1,516)</u>	<u>513,299</u>	<u>-</u>	<u>551,467</u>
<b>General funds</b>						
General Fund	115,960	122,866	(147,488)	34,694	-	126,032
Total Unrestricted funds	<u>155,644</u>	<u>122,866</u>	<u>(149,004)</u>	<u>547,993</u>	<u>-</u>	<u>677,499</u>
<b>Restricted funds</b>						
Property Fund	379,991	-	-	(547,993)	168,002	-
Mapping Medway	680	-	(680)	-	-	-
Postcode Community Trust	6,642	-	(6,526)	-	-	116
MHS Homes Group	-	8,000	(4,091)	-	-	3,909
Barrow Cadbury Trust	-	5,000	(2,143)	-	-	2,857
	<u>387,313</u>	<u>13,000</u>	<u>(13,440)</u>	<u>(547,993)</u>	<u>168,002</u>	<u>6,882</u>
Total of funds	<u><u>542,957</u></u>	<u><u>135,866</u></u>	<u><u>(162,444)</u></u>	<u><u>-</u></u>	<u><u>168,002</u></u>	<u><u>684,381</u></u>

**Property Fund**

The Property Fund is in relation to Lottery funding obtained in respect of 5a New Road Avenue, Chatham, Kent. This property had been acquired to provide accommodation for at least 8 voluntary groups.

**Service Development Fund**

The funds released by the sale of the property have been designated for investment in the development of new programmes and additional services.

**Postcode Community Trust**

MVA has secured funding from People's Postcode Lottery to deliver training to help residents develop new initiatives to support their communities.

**MHS Homes Group**

This funding has been secured to provide a free and impartial mediation service to MHS Homes tenants who may be in dispute with their neighbours.

**Barrow Cadbury Trust**

MVA have been awarded this funding to create a pilot social enterprise champions programme by recruiting local sector leaders to be trained to act as advocates and mentors for social investment

**Medway Voluntary Action**  
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**Notes to the financial statements**  
for the period ended 31 December 2018

**16. Statement of funds (continued)**

**Statement of funds - prior year**

	Balance at 1 April 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2018 £
<b>Designated funds</b>						
Fixed Asset Fund	33,503	-	(5,646)	11,827	-	39,684
<b>General funds</b>						
General Fund	123,679	206,275	(202,167)	(11,827)	-	115,960
Total Unrestricted Funds	157,182	206,275	(207,813)	-	-	155,644
<b>Restricted funds</b>						
Property fund	379,991	-	-	-	-	379,991
Mapping Medway	2,840	-	(2,160)	-	-	680
Postcode Community Trust	-	6,642	-	-	-	6,642
	382,831	6,642	(2,160)	-	-	387,313
Total of funds	540,013	212,917	(209,973)	-	-	542,957

**Summary of funds - current year**

	Balance at 1 April 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2018 £
Designated funds	39,684	-	(1,516)	513,299	-	551,467
General funds	115,960	122,866	(147,488)	34,694	-	126,032
	155,644	122,866	(149,004)	547,993	-	677,499
Restricted funds	387,313	13,000	(13,440)	(547,993)	168,002	6,882
	542,957	135,866	(162,444)	-	168,002	684,381

**Medway Voluntary Action**  
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**Notes to the financial statements**  
**for the period ended 31 December 2018**

**16. Statement of funds (continued)**

**Summary of funds - prior year**

	Balance at 1 April 2017 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2018 £
Designated funds	33,503	-	(5,646)	11,827	39,684
General funds	123,679	206,275	(202,167)	(11,827)	115,960
	<u>157,182</u>	<u>206,275</u>	<u>(207,813)</u>	<u>-</u>	<u>155,644</u>
Restricted funds	382,831	6,642	(2,160)	-	387,313
	<u>540,013</u>	<u>212,917</u>	<u>(209,973)</u>	<u>-</u>	<u>542,957</u>

**17. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	Restricted funds Period Ended 31 December 2018 £	Unrestricted funds Period Ended 31 December 2018 £	Total funds 2018 £
Tangible fixed assets	-	3,474	3,474
Current assets	6,882	685,657	692,539
Creditors due within one year	-	(11,632)	(11,632)
	<u>6,882</u>	<u>677,499</u>	<u>684,381</u>

**Analysis of net assets between funds - prior year**

	Restricted funds Year Ended 31 March 2018 £	Unrestricted funds Year Ended 31 March 2018 £	Total funds Year Ended 31 March 2018 £
Tangible fixed assets	379,991	82,684	462,675
Current assets	7,322	133,635	140,957
Creditors due within one year	-	(21,875)	(21,875)
Creditors due in more than one year	-	(38,800)	(38,800)
	<u>387,313</u>	<u>155,644</u>	<u>542,957</u>



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**18. Reconciliation of net movement in funds to net cash flow from operating activities**

	<b>Period Ended 31 December 2018 £</b>	<b>Year Ended 31 March 2018 £</b>
Net (expenditure)/income for the year (as per Statement of Financial Activities)	<b>(26,578)</b>	2,944
<b>Adjustment for:</b>		
Depreciation charges	<b>1,517</b>	5,646
Dividends, interest and rents from investments	<b>(57)</b>	(59)
Loss on the sale of fixed assets	<b>2,393</b>	29
Decrease/(increase) in debtors	<b>4,234</b>	(2,826)
Decrease in creditors	<b>(6,044)</b>	(33,890)
<b>Net cash used in operating activities</b>	<b>(24,535)</b>	<b>(28,156)</b>

**19. Analysis of cash and cash equivalents**

	<b>Period Ended 31 December 2018 £</b>	<b>Year Ended 31 March 2018 £</b>
Cash in hand	<b>609,588</b>	53,798
Notice deposits (less than 3 months)	<b>80,357</b>	80,331
<b>Total</b>	<b>689,945</b>	<b>134,129</b>

**20. Related party transactions**

There were no related party transactions during the year (Year to 31 March 2018 - £Nil).