

Registered number: 02987866

Charity number: 1042475

Council for Voluntary Service (Medway)

Operating as:

Medway Voluntary Action (MVA)

(A company limited by guarantee)



Medway Voluntary Action

Unaudited

Trustees' report and financial statements

For the year ended 31 December 2019

Registered number: 02987866
Charity number: 1042475

Medway Voluntary Action

(A company limited by guarantee)

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Trustees' report and financial statements
for the year ended 31 December 2019

Medway Voluntary Action
(A company limited by guarantee)

Contents

	Page
Reference and administrative details of the company, its Trustees and advisers	1
Trustees' report	2 - 8
Independent examiner's report	9
Statement of financial activities	10
Balance sheet	11
Notes to the financial statements	12 - 24

Medway Voluntary Action
(A company limited by guarantee)

**Reference and administrative details of the company, its Trustees and advisers
for the year ended 31 December 2019**

Trustees

P C Stokes, Chairman
T A Clarke, Vice Chair
G Viggers
L S F Riley
I Walters
L Turner (resigned 10 September 2019)
R B Ebaretonbofa-Morah (resigned 27 November 2019)
D Green
L McVeigh
V Rama (resigned 10 September 2019)
S Milford-Kemp (co-opted 1 January 2020)
A Saroy (co-opted 2 April 2020)

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
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 year ended 31 December 2019

The Trustees present their annual report together with the financial statements of the charity for the year 1 April 2019 to 31 March 2020. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the charity qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

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 VCS 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 .

Medway Voluntary Action
(A company limited by guarantee)

Trustees' report (continued)
for the year ended 31 December 2019

Activities for achieving objectives (continued)

In line with previous contracts from Medway Council we are now into our second year of a new 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 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. Most recently since the outbreak of the pandemic, this function has had substantial impact on the direction of policy design of Health and Social Care statutory partners to support new aims of pro-actively involving the VCS in the implementation of strategies going forward.

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 Partnership. More recently we have provided extensive information and support to the sector and it's communities following the coronavirus pandemic. This has been a major focus of our role alongside ensuring the sector's voice has been heard during the pandemic. As a result of continual information and intelligence gathering since the commencement of the pandemic, we have been instrumental in leveraging in a range of external support and resource to the sector to assist those organisations struggling to survive the impact of Covid-19.

We have developed and published an online information hub that includes a directory of organisations and activities that serve Medway. This new platform, 'Simply Connect', acts as the central VCS activity information source to support Medway's developing Social Prescribing scheme recently re-established after the focus on Covid-19.

After two years delivering the 'Involving Medway' pilot, funded by Medway Clinical Commissioning Group (CCG) to set up and manage the functions of a Health network to maximise opportunities for CCG engagement with key stakeholders in the VCS, MVA have been successful in now taking the lead position of this developing engagement. 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, MVA now have the opportunity to extend this legacy by supporting a number of activities and organisations including recruiting and training Community Health Researchers and the management of Focus Groups to share the voice of the community with Medway CCG for the future development of services. Most recently MVA worked in partnership to research Covid-19 insights within the BAME communities. This research has impacted on Medway Council's strategic direction in the management of the pandemic in these communities to address the prevailing health inequalities.

Following the success of the initial one year pilot funded by Medway Clinical Commissioning Group to explore different approaches to Befriending, this has been extended for a further year. The pilot was fully evaluated to ascertain the impact of befriending on reducing demand on NHS services, social isolation and loneliness. As a result of Covid-19, the service was transferred to remote delivery and now consists of telephone befriending alongside remote coffee mornings and other activities offered on line. Demand on the service has been significant but major benefits to 'members' are already being seen in terms of the impact the service is having on their lives. We continue to exceed KPI expectations and have now recruited 17 partners accessing funding from the 'Test Bed Fund', also managed by MVA, in both Swale and Medway. Partners in Swale include Swale CVS and Citizen's Advice. The different perspectives/models of delivery will provide rich data for the completion of the year-end report more than making the case for the need for such a service.

Medway Voluntary Action
(A company limited by guarantee)

Trustees' report (continued)
for the year ended 31 December 2019

Activities for achieving objectives (continued)

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 VCS Leaders. Since the outbreak of the pandemic, MVA have played a lead role in bringing the sector together to facilitate collaborative working, sharing of resources provide peer support and levering in funding. This has been a highly effective initiative to support the sector through the crisis, a role we will continue to play for the duration of the pandemic.

We have also facilitated the delivery of events that enable the sector to hear from experts on subjects such as social investment, fund raising including establishing the Funding and Marketing Club 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 the needs of the sector are 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 seeking to establish further projects funded from related restricted funds.

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.

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. During the Covid pandemic MVA has been a focal point for information, guidance and support for the Medway VCS.

Medway Voluntary Action
(A company limited by guarantee)

Trustees' report (continued)
for the year ended 31 December 2019

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 £150,171 expenditure. At present the General Fund amounts to £78,987 but the trustees have already agreed to support the additional expenditure of developing new services up to £90,000 p.a. from the Service Development Fund. 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 was extended twice, first to April 2018 and then again to the 31st December 2018. As a result of a tendering process, MVA were successful in being awarded a further contract to deliver Infrastructure services from the 1st January 2019 for three years. MVA has also been successful in the renewal of the one year Befriending pilot into a further year, the continuation of the Involving Medway contract and receiving funding for a small number of projects that relate to the core work of MVA.

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:

- To 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 year ended 31 December 2019

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. MVA is pro-actively seeking other contracts to mitigate this risk.

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
- Continue to develop the Befriending service
- Pro-actively exploring opportunities to work in partnership both in Medway and beyond

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 continues to be developed but the 'hub' established to provide group support to its beneficiaries was curtailed by the COVID-19 pandemic. We will continue to maximise partnership opportunities in developments going forward in order to provide a richness of befriending opportunities to a range of client groups.

Medway Voluntary Action
(A company limited by guarantee)

Trustees' report (continued)
for the year ended 31 December 2019

Future developments (continued)

Health - Medway Voluntary Action will look to work with the new ICP and other key Health Service to support the implementation of new strategies related to the NHS Long Term Plan; in particular to engage in strategies to support the VCS as a result of the detrimental impact of Covid-19 to ensure Health and Social Care strategies are met.

COVID-19

At the time of signing the accounts the Trustees are aware of the potential economic and social effects of the Covid-19 virus outbreak. The full impact of the pandemic on the UK economy is yet to be seen, but the Charity will continue to seek to mitigate this risk by following the UK Government's guidelines and adapting/developing its own internal strategy.

Medway Voluntary Action
(A company limited by guarantee)

Trustees' report (continued)
for the year ended 31 December 2019

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:

G Viggers, Trustee

Medway Voluntary Action
(A company limited by guarantee)

Independent examiner's report
for the year ended 31 December 2019

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 year ended 31 December 2019.

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 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.

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.

Signed:

Susan Robinson

Kreston Reeves
Chatham Maritime

Dated:

BA FCA FCIE DChA MCMI

Medway Voluntary Action
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
for the year ended 31 December 2019

	Note	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:					
Donations and legacies	3	116,937	103,571	220,508	91,583
Other trading activities	4	-	13,289	13,289	35,454
Investments	5	-	2,929	2,929	57
Other income	6	-	6,236	6,236	8,772
Total income		116,937	126,025	242,962	135,866
Expenditure on:					
Charitable activities	7	87,750	213,393	301,143	162,444
Total expenditure		87,750	213,393	301,143	162,444
Net movement in funds before other recognised gains		29,187	(87,368)	(58,181)	(26,578)
Other recognised gains:					
Gains on revaluation of fixed assets		-	-	-	168,002
Net movement in funds		29,187	(87,368)	(58,181)	141,424
Reconciliation of funds:					
Total funds brought forward		6,882	677,499	684,381	542,957
Net movement in funds		29,187	(87,368)	(58,181)	141,424
Total funds carried forward		36,069	590,131	626,200	684,381

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 12 to 24 form part of these financial statements.

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

Balance sheet
as at 31 December 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	12	<u>12,475</u>	<u>3,474</u>
		12,475	3,474
Current assets			
Debtors	13	27,752	2,594
Cash at bank and in hand		<u>607,109</u>	<u>689,945</u>
		634,861	692,539
Creditors: amounts falling due within one year	14	<u>(21,136)</u>	<u>(11,632)</u>
Net current assets		613,725	680,907
Total assets less current liabilities		626,200	684,381
Net assets excluding pension asset		626,200	684,381
Total net assets		626,200	684,381
Charity funds			
Restricted funds	16	36,069	6,882
Unrestricted funds	16	<u>590,131</u>	<u>677,499</u>
Total funds		626,200	684,381

The company was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

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

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

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

G Viggers

The notes on pages 12 to 24 form part of these financial statements.

Medway Voluntary Action
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 December 2019

1. General information

Medway Voluntary Action is a charity and company limited by guarantee incorporated in England. The charity's registered office is 5A New Road Avenue, Chatham, ME4 6BB.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The company has elected to apply all amendments to FRS 102, as set out in the Financial Reporting Council's triennial review published in December 2017, and included in Update Bulletin 2 to the Charities SORP (FRS 102), prior to mandatory adoption for accounting periods beginning on or after 1 January 2019.

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.

2.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Charity's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Whilst the impact of the COVID-19 pandemic has been assessed by the Trustees, so far as is reasonably possible, due to its unprecedented impact on the worldwide economy it is difficult to evaluate with any certainty the potential outcomes on the Charity's future activities. However, taking into consideration the Charity's level of reserves, the Trustees believe that the Charity will be able to continue in operational existence for the foreseeable future.

Medway Voluntary Action
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 December 2019

2. Accounting policies (continued)

2.3 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.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.4 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.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the company's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 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 institution with whom the funds are deposited.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, .

Depreciation is provided on the following bases:

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

Medway Voluntary Action
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 December 2019

2. Accounting policies (continued)

2.7 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.

2.8 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.

2.9 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 in the Statement of financial activities as a finance cost.

2.10 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.

2.11 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 year.

2.12 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 year ended 31 December 2019

3. Income from donations and legacies

	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £
Donations	-	40	40
Government grants	116,937	103,531	220,468
	<u>116,937</u>	<u>103,571</u>	<u>220,508</u>
	Restricted funds 2018 £	Unrestricted funds 2018 £	Total funds 2018 £
Government grants	13,000	78,583	91,583
	<u>13,000</u>	<u>78,583</u>	<u>91,583</u>

4. Income from other trading activities

Income from fundraising events

	Unrestricted funds 2019 £	Total funds 2019 £
Training income	11,241	11,241
Photocopying charges	2,048	2,048
	<u>13,289</u>	<u>13,289</u>
	Unrestricted funds 2018 £	Total funds 2018 £
Training income	8,216	8,216
Photocopying charges	972	972
Premises reimbursement	26,266	26,266
	<u>35,454</u>	<u>35,454</u>

Medway Voluntary Action
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 December 2019

5. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £
Deposit account interest	2,929	2,929
	<u>2,929</u>	<u>2,929</u>
	Unrestricted funds 2018 £	Total funds 2018 £
Deposit account interest	57	57
	<u>57</u>	<u>57</u>

6. Other incoming resources

	Unrestricted funds 2019 £	Total funds 2019 £
Sales and service income	2,974	2,974
Management fees	3,262	3,262
	<u>6,236</u>	<u>6,236</u>
	Unrestricted funds 2018 £	Total funds 2018 £
Sales and service income	5,956	5,956
Management fees	2,816	2,816
	<u>8,772</u>	<u>8,772</u>

Medway Voluntary Action
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 December 2019

7. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £
Direct costs (note 8)	87,750	213,393	301,143
	Restricted funds 2018 £	Unrestricted funds 2018 £	Total funds 2018 £
Direct costs (note 8)	13,440	149,004	162,444

8. Charitable activity costs

	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Equipment hire	-	2,113	2,113	1,607
Insurance	85	4,019	4,104	2,851
Legal & professional	-	6,109	6,109	9,064
Postage, printing and stationery	1,649	1,979	3,628	887
Premises expenses	-	3,860	3,860	4,169
Energy and water rates	-	2,037	2,037	6,198
Equipment costs	145	13,106	13,251	5,093
Rent	-	12,317	12,317	6,620
Telephone	199	4,130	4,329	2,136
Sessional work and training	-	4,918	4,918	4,359
Travel expenses	443	1,404	1,847	1,133
Staff and other expenses	22,725	9,836	32,561	495
Sundry expenses	6,296	25,120	31,416	7,898
Advertising and promotions	-	79	79	79
Project expenses	14,863	5,007	19,870	12,096
Independent examination fee	-	1,200	1,200	1,200
Wages and salaries	39,404	100,160	139,564	88,924
National insurance	1,371	7,598	8,969	4,065
Pension cost	570	2,870	3,440	2,054
Depreciation	-	5,531	5,531	1,516

Medway Voluntary Action
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 December 2019

Total 2019	87,750	213,393	301,143	162,444
	<hr/>	<hr/>	<hr/>	<hr/>
Total 2018	13,440	149,004	162,444	
	<hr/>	<hr/>	<hr/>	

9. Independent examiner's remuneration

	2019	2018
	£	£
Fees payable to the company's independent examiner for the independent examination of the company's annual accounts	1,200	1,200
	<hr/>	<hr/>

10. Staff costs

	2019	2018
	£	£
Wages and salaries	139,564	88,924
Social security costs	8,969	4,065
Contribution to defined contribution pension schemes	3,440	2,054
	<hr/>	<hr/>
	151,973	95,043
	<hr/>	<hr/>

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

	2019	2018
	No.	No.
Project staff	1	-
Administration staff	6	6
	<hr/>	<hr/>
	7	6
	<hr/>	<hr/>

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 £43,205 (2018: £34,420).

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2018 - £NIL).

During the year ended 31 December 2019, expenses totalling £NIL were reimbursed or paid directly to Trustee (2018 - £84 to 1 Trustee).

Medway Voluntary Action
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 December 2019

12. Tangible fixed assets

	Office equipment £
Cost or valuation	
At 1 January 2019	16,578
Additions	14,532
At 31 December 2019	<u>31,110</u>
Depreciation	
At 1 January 2019	13,104
Charge for the year	5,531
At 31 December 2019	<u>18,635</u>
Net book value	
At 31 December 2019	<u>12,475</u>
At 31 December 2018	<u>3,474</u>

13. Debtors

	2019 £	2018 £
Due within one year		
Trade debtors	1,616	290
Other debtors	1,457	300
Prepayments and accrued income	24,679	2,004
	<u>27,752</u>	<u>2,594</u>

14. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	8,614	3,421
Other creditors	3,746	2,582
Accruals and deferred income	8,776	5,629
	<u>21,136</u>	<u>11,632</u>

Medway Voluntary Action
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 December 2019

15. Financial instruments

	2019	2018
	£	£
Financial assets		
Financial assets measured at fair value through income and expenditure	3,179	802
	2019	2018
	£	£
Financial liabilities		
Derivative financial instruments measured at fair value through income and expenditure held as part of a trading portfolio	(20,207)	(9,461)

Financial assets measured at amortised cost comprise trade debtors, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, accruals and other creditors.

Medway Voluntary Action
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 December 2019

16. Statement of funds

Statement of funds - current year

	Balance at 1 January 2019 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2019 £
Unrestricted funds					
Designated funds					
Fixed Asset Fund	3,474	-	(5,531)	14,532	12,475
Service Development Fund	547,993	-	(49,324)	-	498,669
	<u>551,467</u>	<u>-</u>	<u>(54,855)</u>	<u>14,532</u>	<u>511,144</u>
General funds					
General Fund	126,032	126,025	(158,538)	(14,532)	78,987
Total Unrestricted funds	<u>677,499</u>	<u>126,025</u>	<u>(213,393)</u>	<u>-</u>	<u>590,131</u>
Restricted funds					
Postcode Community Trust	116	-	-	-	116
MHS Homes Group	3,909	8,000	(6,229)	-	5,680
Barrow Cadbury Trust	2,857	10,000	(12,919)	-	(62)
RBS Skills & Opportunities	-	30,930	(22,725)	-	8,205
Befriending	-	49,813	(35,501)	-	14,312
Involving Medway Project	-	18,194	(10,376)	-	7,818
	<u>6,882</u>	<u>116,937</u>	<u>(87,750)</u>	<u>-</u>	<u>36,069</u>
Total of funds	<u>684,381</u>	<u>242,962</u>	<u>(301,143)</u>	<u>-</u>	<u>626,200</u>

Medway Voluntary Action
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 December 2019

16. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2018 £
Unrestricted funds						
Designated funds						
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>
General funds						
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>
Restricted funds						
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>

17. Summary of funds

Medway Voluntary Action
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 December 2019

17. Summary of funds (continued)

Summary of funds - current year

	Balance at 1 January 2019 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2019 £
Designated funds	551,467	-	(54,855)	14,532	511,144
General funds	126,032	126,025	(158,538)	(14,532)	78,987
Restricted funds	6,882	116,937	(87,750)	-	36,069
	<u>684,381</u>	<u>242,962</u>	<u>(301,143)</u>	<u>-</u>	<u>626,200</u>

Summary of funds - prior 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
Restricted funds	387,313	13,000	(13,440)	(547,993)	168,002	6,882
	<u>542,957</u>	<u>135,866</u>	<u>(162,444)</u>	<u>-</u>	<u>168,002</u>	<u>684,381</u>

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	12,475	12,475
Current assets	36,069	598,792	634,861
Creditors due within one year	-	(21,136)	(21,136)
Total	<u>36,069</u>	<u>590,131</u>	<u>626,200</u>

Medway Voluntary Action
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 December 2019

18. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Restricted funds 2018 £	Unrestricted funds 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)
Total	6,882	677,499	684,381

19. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £3,440 (2018 - £2,054).

20. Operating lease commitments

At 31 December 2019 the company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	11,428	12,143
Later than 1 year and not later than 5 years	6,904	18,333
	18,332	30,476

21. Related party transactions

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