

Milton Keynes Reader Service

Trustees Annual Accounts

July 2017

Registered Charity No. 1169548

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This Annual Report is also available in braille or
in audio formats on request

Milton Keynes Reader Service 2016-17

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Introduction

These accounts cover the activities of the Milton Keynes Reader Service from 11 October 2016 to 31 March 2017. They have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets.

On 10 October 2016, the Milton Keynes Reader Service registered charity number 1013965 ('the old charity') notified the Charity Commission that it was closing with effect from that date and that all of its assets, liabilities and undertakings were transferring to a new charity also called the Milton Keynes Reader Service with a registered charity number 1169548 ('the new charity') as provided for by section 268 of the Charities Act 2011. There was complete continuity of operation in this transition with the new charity providing the same services to the same service users using the same employed Co-ordinator and volunteers and overseen by the same trustees as the old charity. The new charity has been set up as a Charitable Incorporated Organisation (CIO) which limits trustees' liability and will allow the charity formally to own a share in the Walnut Tree Charity Shop which is a major funder of the charity.

Income is only recognised when it is credited to our bank account.

A commentary on these accounts is included in the Trustees' Report.

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General Funds

Income and Expenditure Summary

	11 Oct 2016- 31 Mar 2017	2015-16
Income	£19,419.30	£37,677.06
Expenditure	£20,149.68	£29,771.89
Surplus/Deficit	-£730.38	£7,905.17
Balance Brought Forward	£50,344.51	£33,680.28
Balance Carried Forward	£49,614.13	£41,585.45

Income Breakdown

	11 Oct 2016- 31 Mar 2017	2015-16
Donations	£4,461.21	£5,756.33
Fundraising	£1,413.40	£2,377.91
Grants	£4,906.00	£17,444.00
Other Income	£1,467.69	£2,720.82
Walnut Tree Charity Shop	£6,500.00	£7,500.00
Work Done	£671.00	£1,878.00
TOTAL	£19,419.30	£37,677.06

We received two grants from the Milton Keynes Community Foundation:

- £4,656 from Milton Keynes Community Foundation for the construction of a sound-proofed recording area in our new office. We had a similar facility in our old office which is used to make audio recordings for our service users and certain customers. While the construction work was completed by the end of the financial year, the

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invoice was not received by this time and is therefore not shown in the expenditure below.

- A grant in the form of a discount for the rent paid for our new offices which is equivalent to £3,585.60 per annum. As we are invoiced for rent at the discounted rate, the value of this grant is not shown in the table above.

The 'Other Income' category includes match funding of donations received via the localgiving.com website, Gift Aid received via localgiving.com on qualifying donations and interest received on cash reserves. The category also includes Gift Aid on donations made to the old charity between 1 April 2016 and 10 October 2016 which HMRC allowed to be claimed after the notification of closure of the old charity to the Charity Commission. That Gift Aid payment was received from HMRC on 24 March 2017. Donations for which Gift Aid can be claimed which were received between 11 October 2016 and 31 March 2017 will be included in a claim to be made in the 2017-18 financial year.

There is also a significant match funding payment of just under £1,000 anticipated from the Margaret Powell Fund the claim for which was submitted towards the end of this financial year. This is not shown in the accounts.

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Expenditure Breakdown

	11 Oct 2016- 31 Mar 2017	2015-16
Co-ordinator Costs	£8,150.16	£15,162.45
Business Expenses	£5,099.40	£9,607.69
Office Expenses	£6,153.24	£4,559.71
Depreciation	£746.88	£442.04
TOTAL	£20,149.68	£29,771.89

Co-ordinator Costs comprise pay, Pay As You Earn (PAYE) deductions for income tax & employee National Insurance contributions and employer's pension contributions. As a small employer, the Reader Service was not required to pay employer National Insurance contributions.

Broadly, business expenses are those concerned with the delivery of the charity's services to service users, whereas office expenses are those incurred in the administration of the charity. For simplicity and to reduce administrative burdens, all of the Co-ordinator's expenses are categorised as office expenses even though some are incurred in delivering services.

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Business Expenses Breakdown

	11 Oct 2016- 31 Mar 2017	2015-16
AGM	£0.00	£220.28
Co-ordinator Training	£0.00	£640.60
DBS Checks	£36.00	£240.00
Insurance	£639.89	£770.30
Other Business Expenses	£828.59	£1,433.92
Subscriptions	£171.00	£72.00
Volunteer Expenses	£3,290.52	£6,074.69
Volunteer Training	£133.40	£155.90
TOTAL	£5,099.40	£9,607.69

Other Business Expenses include fees paid to localgiving.com for processing transactions, room hire for committee meetings and other events, catering costs for events (all of which were recouped by donations and raffles at the events) and Braille transcription services.

Volunteer Training refers to specific attributable expenses associated with the training of volunteers such as room hire for training events. It does not represent the full cost of providing training which includes e.g. a proportion of Co-ordinator costs.

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Office Expenses Breakdown

	11 Oct 2016- 31 Mar 2017	2015-16
Equipment	£82.00	£206.00
Mileage	£561.13	£777.70
Other Office Expenses	£2,999.26	£1,177.81
Postage	£97.84	£148.66
Rent	£1,387.60	£900.00
Stationery	£550.21	£696.07
Telecommunications	£475.20	£653.47
TOTAL	£6,153.24	£4,559.71

The individual value of the items of equipment purchased in the period covered by these accounts did not exceed the £100 threshold for classifying them as fixed assets and were therefore recorded as expenses. Other expenses includes service charges of £1,334.88 for our new office paid in advance up to 23 June 2017. The rent is also paid in advance to the same date.

There is one item of expenditure in dispute, namely rent charges for our old office at Tinkers Bridge. The trustees have asked for documentary evidence that the higher rent charge imposed unilaterally by Woughton Community Council falls within the terms of our agreement. This evidence has not been forthcoming. We have therefore paid for the period of occupation of these premises at the previously agreed rate. The amount in dispute is £1,076.44.

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Fixed Assets Account at close of 31 March 2017

Fixed assets are depreciated over four years i.e. at a rate of 25% per annum. A reducing balance method has been used which is appropriate given that the Reader Service has a relatively small investment in fixed assets compared to its annual income and expenditure.

However given that these accounts refer to only a part of a financial year, the depreciation factor has been altered to reflect this reduced time period. These accounts cover 172 days, equivalent to 47.3% of the financial year. Therefore the depreciation charge has been calculated as 47.3% of what would have been the annual charge of £1,579.03.

	Computer Equipment	Office Equipment	Total
Cost			
As at start 11/10/16	£18,550.50	£11,844.11	£30,394.61
Additions	£0.00	£0.00	£0.00
As at close 31/3/17	£18,550.50	£11,844.11	£30,394.61
Depreciation			
As at start 11/10/16	£17,804.58	£7,106.06	£24,910.64
Charge	£101.59	£645.29	£746.88
As at close 31/3/17	£17,906.17	£7,751.35	£25,657.52
Net Book Value			
As at start 11/10/16	£745.92	£4,738.05	£5,483.97
As at close 31/3/17	£644.33	£4,092.76	£4,737.09

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Balance sheet as at close 31 March 2017

	31 March 2017	10 Oct 2016
Fixed Assets	£4,737.09	£5,483.97
Current Assets		
Lloyds Bank Account	£14,628.39	£14,724.38
Virgin Money	£30,248.65	£30,136.16
Net Assets	£49,614.13	£50,344.51
General Funds	£49,614.13	£50,344.51

The above table shows the value of the assets and funds transferred from the old to the new charity at the end of business on 10 October 2016 and their value at the close of business at the end of the financial year.

Approved by the Management Committee on 5 April 2017 and signed on its behalf by Mr Stephen Harrison



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Independent Examiner's Report to the Management Committee of the Milton Keynes Reader Service. (Page 1)

We report on the accounts of the Milton Keynes Reader Service for the period from 11th October 2016 to 31st March 2017 which are set out on pages 2 to 9.

Respective responsibilities of the trustees and examiner.

The charity's trustees are responsible for the preparation of the accounts; you consider that the audit requirement section 144(2) of the Charities Act 2011 (the Act) does not apply. It is our responsibility to state, on the basis of procedures specified in the General Directions given by the Charity Commissioners under section 145 of the Act, whether particular matters have come to our attention.

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Independent Examiner's Report to the Management Committee of the Milton Keynes Reader Service. (Page 2)

Basis of the independent examiner's report

Our examination was carried out in accordance with the General Directions given by the Charity Commissioners. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also included consideration of any unusual items or disclosures in the accounts, and seeking explanations from you, as trustees, concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently we do not express an audit opinion on the view given by the accounts.

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Independent Examiners' Statement to the Management Committee of the Milton Keynes Reader Service. (Page 3)

In connection with our examination, no matter has come to our attention:

1. which gives us reasonable cause to believe that in any material respect the requirements
 - to keep accounting records in accordance with section 130 of the Act; and
 - to prepare accounts which accord with the accounting records and to comply with the accounting requirement of the Acthave not been met; or
2. to which, in our opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Hills and Burgess

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7th June 2017