

Milton Keynes Reader Service

Trustees Annual Accounts July 2018

Registered Charity No. 1169548

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

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Milton Keynes Reader Service 2017-18

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Introduction

These accounts cover the activities of the Milton Keynes Reader Service from 1 April 2017 to 31 March 2018. 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 staff and volunteers overseen by the same trustees as the old charity.

The comparative figures for the previous financial year in this report therefore only cover the period 11 October 2016 to 31 March 2017.

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

	2017-18	11 Oct 2016- 31 Mar 2017
Income	£35,701.41	£19,470.05
Expenditure	£41,313.28	£20,200.43
Surplus/Deficit	-£5,611.87	-£730.38
Balance Brought Forward	£49,614.13	£50,344.51
Balance Carried Forward	£44,002.26	£49,614.13

Income Breakdown

	2017-18	11 Oct 2016- 31 Mar 2017
Donations	£6,205.31	£4,551.96
Fundraising	£4,510.99	£1,413.40
Grants	£12,576.00	£4,906.00
Other Income	£3,006.11	£1,467.69
Walnut Tree Charity Shop	£7,250.00	£6,500.00
Work Done	£2,153.00	£671.00
TOTAL	£35,701.41	£19,470.05

On 29th July 2017 there was a change to the shareholding structure of the Walnut Tree Community Shop Ltd, the company which operates the Walnut Tree Charity Shop. Prior to that date, one-third of the shares in the shop were held in a personal capacity by one of the trustees of the Reader Service. Following the Reader Service's change of status to a Charitable Incorporated Organisation, it became possible for the Reader Service to own the shares in its own right. The trustee holding the shares, Paula Varey, donated her shareholding to the Reader Service on that date. The

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value of the shares was £2 as shown in the share capital of the shop. The shareholding is shown as a £2 fixed asset in the balance sheet on page 9.

We received a grant from the Milton Keynes Community Foundation 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.

We also received 100% charitable business rates relief from Milton Keynes Council on our office in Margaret Powell House which was worth £1,876.69. 80% of the relief was statutory charitable relief set by central Government, 20% was discretionary from Milton Keynes Council as we met the Council's qualifying criteria.

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 from funds held on deposit. The category also includes Gift Aid of £638.48 on qualifying donations which were received between 11 October 2016 and 31 March 2017, the first accounting period where we operated as a Charitable Incorporated Organisation.

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

	2017-18	11 Oct 2016- 31 Mar 2017
Staff Costs	£15,754.80	£8,150.16
Business Expenses	£10,773.42	£5,195.28
Office Expenses	£13,516.55	£6,108.11
Depreciation	£1,268.51	£746.88
TOTAL	£41,313.28	£20,200.43

Staff 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 staff expenses are categorised as office expenses even though some are incurred in delivering services.

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Business Expenses Breakdown

	2017-18	11 Oct 2016- 31 Mar 2017
Staff Training	£0.00	£0.00
DBS Checks	£264.00	£36.00
Insurance	£983.98	£639.89
Other Business Expenses	£2,143.69	£828.59
Subscriptions	£346.20	£171.00
Volunteer Expenses	£6,771.28	£3,341.27
Volunteer Training	£264.27	£178.53
TOTAL	£10,773.42	£5,195.28

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

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 staff costs.

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Office Expenses Breakdown

	2017-18	11 Oct 2016- 31 Mar 2017
Equipment	£139.96	£82.00
Mileage	£697.08	£561.13
Other Office Expenses	£6,648.61	£1,619.25
Postage	£138.54	£97.84
Rent & Service Charges	£4,023.84	£2,722.48
Stationery	£1,233.58	£550.21
Telecommunications	£634.94	£475.20
TOTAL	£13,516.55	£6,108.11

Equipment costs shown above are for items less than £100. Items purchased over £100 in value are shown in the fixed assets account on page 8. Rent and service charges are paid in advance up to 23 June 2018.

Other Office Expenses include the cost of building a recording studio in our office in Margaret Powell House for which a grant was received the previous financial year from Milton Keynes Community Foundation. It also includes the repayment of part of the grant which was not required due to lower than anticipated construction costs. These two sums comprised £4,606.

There was an amount in dispute in the previous year's accounts for rent charges for our old office at Tinkers Bridge. The amount in dispute was £1,076.44.

Woughton Community Council accepted that the sum was not owed and that we had fully and satisfactorily discharged our obligations.

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Fixed Assets Account at close of 31 March 2018

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.

	Computer Equipment	Office Equipment	Total
Cost			
As at start 1/4/17	£18,550.50	£11,844.11	£30,394.61
Additions	£150.00	£186.96	£336.96
As at close 31/3/18	£18,700.50	£12,031.07	£30,731.57
Depreciation			
As at start 1/4/17	£17,906.17	£7,751.35	£25,657.52
Charge	£198.58	£1,069.93	£1,268.51
As at close 31/3/18	£18,104.75	£8,821.28	£26,926.03
Net Book Value			
As at start 1/4/17	£644.33	£4,092.76	£4,737.09
As at close 31/3/18	£595.75	£3,209.79	£3,805.54


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Balance sheet as at close 31 March 2018

	31 March 2018	31 March 2017
Fixed Assets	£3,805.54	£4,737.09
Walnut Tree Community Shop Ltd Shareholding	£2.00	
Current Assets		
Lloyds Bank Account	£9,794.64	£14,628.39
Virgin Money	£30,400.08	£30,248.65
Net Assets	£44,002.26	£49,614.13
General Funds	£44,002.26	£49,614.13

The shareholding in the company which operates the Walnut Tree Charity Shop is one-third of the total issued share capital of the company. As a consequence the Reader Service is registered with Companies House as a 'person with significant control' of the company. That day-to-day control is exercised by one of the trustees of the Reader Service, Elaine Maries, who is a Director of the company.

Approved by the Management Committee on 30 April 2018 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 year ended 31st March 2018 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 Act

have 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.

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31st May 2018