

**CO3 CHIEF OFFICERS THIRD SECTOR
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

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Company Registration number NI037439

REFERENCE AND ADMINISTRATIVE INFORMATION

DIRECTORS

John McMullan - Chairperson
Jenny Irvine – Vice Chairperson
Patrick Minne - Treasurer (appointed as director July 2013)
Doug Smith
Kerry Anthony
Maeve Monaghan
Lauri McCusker
Maurice Kinkead
Cameron Watt (appointed December 2013)
Kate Fleck (appointed November 2013)

SECRETARY AND REGISTERED OFFICE

Tracey McCreanor
34 Shaftesbury Square
Belfast
BT2 7BD

AUDITORS

Harbinson Mulholland
IBM House
4 Bruce Street
BELFAST
BT2 7JD

BANKERS

Danske Bank
Donegall Square West
Belfast
BT1 6JS

COMPANY REGISTRATION NUMBER

NI037439

REGISTERED AS A CHARITY WITH HMRC: REFERENCE

XR24273

DIRECTORS' ANNUAL REPORT

The Directors present their report together with the audited financial statements for the year ended 31 March 2014.

Principle Activities and Results for the Year

The principal activity for the CO3 Chief Officers 3rd Sector (CO3) is in the promotion of excellence in leadership for the voluntary and community sector in Northern Ireland.

Net incoming resources for the year amounted to £12,449 and is attributable to the principal activity (2013 net incoming resources was £19,464).

Structure, Governance and Management

CO3 is a company limited by guarantee and a registered charity. Its governing document is the Memorandum and Articles of Association. The organisation has an Executive Committee of no more than 12 members, all of whom must be drawn from the full membership of the Association. The Executive Committee members are all Directors of the Company.

Executive Committee Membership

The following individuals were members of the Executive Committee and Directors of CO3 for the period 1 April 2013 – 31 March 2014.

- Maurice Kinkead
- John McMullan
- Doug Smith
- Colum Conway (left April 2013)
- Anne O'Reilly (left June 2013)
- Jenny Irvine
- Maeve Monaghan
- Kerry Anthony
- Lauri McCusker
- Patrick Minne (joined July 2013)
- Cameron Watt (joined December 2013)
- Kate Fleck (joined November 2013)
- Alan Hanna (joined July 2013- left December 2013)

Honorary Officers

- John McMullan was appointed as Chair in December 2012 and continues in this role.
- Anne O'Reilly stepped down as Vice Chair in June 2013.
- Jenny Irvine was appointed as Vice Chair in September 2013
- Patrick Minne was appointed as Treasurer in December 2013.

During 2013/2014 CO3's Executive Committee met five times to review progress and plan for the organisation. The Honorary Officers have also met on two occasions throughout the year.

Audit and Risk Committee

During this year, CO3's Finance, Audit and Risk Committee subgroup met three times in August 2013, September 2013 and November 2013 to provide scrutiny and support in audit and risk matters.

DIRECTORS' ANNUAL REPORT (CONT'D)

Risk Management

The Executive Committee has considered the major risks to which CO3 is exposed. Systems and procedures have been established to manage those risks. This register was reviewed by CO3's Audit and Risk Committee and Executive Committee in May 2013 and November 2013.

Staff

The Association employed six individuals during 2013/2014. This included two full time posts, two part time posts and two temporary posts. This was a period of change for CO3 in terms of staff. Rachel Cooley became a permanent member of staff in December 2013, having supported CO3 for a number of years in a temporary capacity. Majella McCloskey, Chief Executive, left in January 2014 after almost eight years of employment with CO3. Tony Macaulay was employed as an Interim CEO for the month of February, and Nora Smith was appointed Chief Executive, taking up her post in March 2014.

We would like to thank Majella for the contribution that she has made in developing CO3 as an organisation, for all of her hard work and commitment to leadership in the Third Sector and we wish her well in her new role. CO3 also availed of some temporary support at busy times, and we would like to thank Tony Macaulay and Kathy Leckie, for this invaluable support.

Membership

CO3 has maintained its level of membership with 208 Full Members, 54 Associate Members and 26 Corporate Members. The CO3 Executive Committee began a process to review its membership structure and fees. A working group of Executive Committee members ran a scoping exercise to consider the range of benefits available to members. This was rolled out in a consultation exercise during the summer of 2013. A new Membership Structure is being considered for introduction in 2015.

Strategic Objectives for CO3

The following aims and priorities are set out in the 2013-2016 CO3 Corporate Plan

Develop leaders

Aim 1: Support third sector leaders to develop their skills and knowledge to the highest level

Priorities for Development:

- Develop stronger leadership and management skills through training and action learning
- Develop stronger leadership and management skills through coaching/mentoring/ shadowing
- Develop chief officer skills in supporting good governance
- Help increase member qualifications/accreditation
- Research leadership development.

DIRECTORS' ANNUAL REPORT (CONT'D)

Facilitate leader networking

Aim 2: Provide third sector leaders with excellent opportunities for mutual support and networking with other leaders

Priorities for Development:

- Provide safe spaces for chief officer networking
- Facilitate networking between third sector leaders
- Facilitate networking between third sector leaders in Northern Ireland and elsewhere
- Facilitate networking between third sector leaders and leaders in other sectors

Inform and support leaders

Aim 3: Enable third sector leaders to access the information and support they need to be outstanding leaders

Priorities for Development:

- Provide members with distinctive, accurate, timely and relevant information
- Provide members with appropriate resource materials and guides
- Provide support and care to third sector leaders in difficulties
- Prevent and help resolve conflicts
- Support chief officers to develop appropriate ways of measuring the impact of their organisations.

Support knowledge development and policy advocacy

Aim 4: Build the skills and knowledge of third sector leaders to play a key role in public policy development

Priorities for Development:

- Provide opportunities for confidential discussions with senior decision/policy-makers
- Develop third sector leaders' public advocacy and lobbying skills
- Contribute to public policy development relevant to CO3's role.

Promote membership

Aim 5: maximise CO3 membership and ensure members receive an excellent service

Priorities for Development:

- Effectively market CO3 to eligible non-members (targeting under-represented groups)
- Ensure an appropriate membership structure
- Regularly survey member views and satisfaction
- Develop membership benefits.

DIRECTORS' ANNUAL REPORT (CONT'D)

Outstanding organisation

Aim 6: Ensure CO3 is an excellent, sustainable, effective and efficient organisation

Priorities for Development:

- Ensure CO3 generates sufficient net income to achieve its plans
- Assure the quality of delivery of all CO3 services and activities
- Deliver agreed outputs for funded/contracted programmes of work
- Ensure sound financial planning, management and reporting
- Ensure CO3 has the staffing it requires to achieve its plans and they are appropriately managed and supported to develop
- Ensure CO3 has the premises and physical resources to achieve its plans and these are effectively and efficiently managed
- Ensure the governance of CO3 role models best practice
- Develop processes for evaluating and demonstrating the impact of CO3.

CO3 Impact 2013-2014

Member Special Interest Groups (SIGs)

Health and Social Care

During this year, CO3's Health and Social Care Special Interest Group (SIG) met frequently. CO3 members have engaged significantly in the Transforming Your Care agenda, providing a strategic perspective on the third sector's role in health and social care, including frequent engagement with leaders in the health and social care community. The SIG were also involved in the selection of third sector Integrated Care Partnership representatives and Multi Disciplinary Groups. Special meetings included a briefing from Dr Sloan Harper, Health & Social Care Board, on the TYC Vision; a joint event in June 2013 with the Long Term Conditions Alliance to organise a strategic briefing on Transforming Your Care and the roll out of the Integrated Care Partnerships (ICPs); a further workshop in September 2013 to discuss the third sector's role in ICPs. Representatives from the SIG also held a meeting with Minister for Health, Social Services and Public Safety to discuss and highlight key strategic policy issues.

Public Affairs

CO3 supports chief officers to come together to lobby on collective issues. As well as the work supported by its special interest groups, the association has engaged in wider influencing about the strategic direction of the sector's role in developing Northern Ireland and rebalancing the economy. Engagements included an "In Camera" meeting with the Shadow Secretary of State, Vernon Coaker, to discuss the role and contribution of the third sector and the impact of Westminster on the third sector in Northern Ireland; and a meeting with Colin Sullivan, Head of the DFP Public Sector Reform, when members to discuss the issues and opportunities for the third sector in public sector reform.

Events and Member Engagements

In 2013-2014 CO3 ran 48 events with 930 attendees. We provided bespoke tailored training to increase leadership and capacity building and a series of unique peer networking events.

DIRECTORS' ANNUAL REPORT (CONT'D)

Leadership Development Activity

CO3 continues to deliver cutting edge leadership development for leaders in the Third Sector. CO3 ran its 2nd Senior Fellowship Programme in this period. The course was designed to build on participants' existing leadership capability and further develop their knowledge, confidence and skills. The aim was to increase the social value they create in how they run their organisations and provide better services for beneficiaries. The programme consists of four sessions over four separate days and includes master classes, peer consulting and experiential learning. The Senior Fellowship Programme also makes reference to the CO3 Leadership Competency Framework ©.

A Leadership Network Alumni has also been established with CO3 delivering reconnect sessions for the Alumni in January 2014.

To date 20 leaders from the Third Sector have participated on the programme.

Bursary Places

Funding support from Lloyds TSB Foundation for NI, Creating Change programme supported some bursary places which allowed some participants to take part in the Senior Fellowship Programme which they otherwise could not have taken part in.

Mentoring

CO3 ran a further Executive Mentoring programme during 2013/ 2014. Mentors have extensive executive experience from the private, public and third sectors. The Programme began in January 2014 with 12 mentoring relationships starting. We are delighted that this year Queen's University Management School is working with CO3 to assess the impact of the mentoring programme. Queen's University Management School researchers will be undertaking a number of research interviews both before and after the programme to compare participants' expectations and reality after everyone has taken part and concluded the mentoring programme. Queen's University will be monitoring the programme through 2014 with a view to reporting its findings in the spring of 2015.

CO3 is also delighted to have developed a new working relationship with the Lloyds Banking Group with a view to provide mentoring to Senior Managers and next generation CEOs.

Publications

CO3 is working to deepen its work in supporting CEOs in critical times. A good practice guide on "Leading in Partnership" about the relationship of the Chair and Chief Executive is being written with a view to publishing in pdf form for members in autumn of 2014.

Membership

In 2013-2014 CO3 recruited 50 new members.

Information and Calls for Help

In 2013-2014 CO3 ran 23 email briefings and 45 Calls for Help.

Website

In 2013-2014 CO3 had 29,779 visitors to its website.

Members Support in Crisis

In 2013-2014 CO3 had 6 uses of its counseling service and 2 uses of its legal service.

DIRECTORS' ANNUAL REPORT (CONT'D)

Strategic Alliances

CO3 continued to meet regularly with its Scottish and English counterparts ACOSVO and ACEVO, and with the Institute of Management for Community and Voluntary sector (IMCV) in Dublin. CO3 also continues to work with NICVA, CENI and the Rural Community Network in delivering regional infrastructure support to the Third Sector. CO3 has maintained its connection to its Swedish counterparts Ideell Arena, hosting a visit of Swedish third sector leaders in May 2013. CO3 continues to explore work with the Chief Executive's Forum, the Institute of Directors, the Chief Executives Club at Queen's and the Queen's School of Management to jointly promote leadership.

Profile

CO3 continued to build its brand and profile; this year's PR Strategy focused on developing its profile using social media. CO3 now has over 1267 followers on Twitter. CO3 has also begun a review of its website and has set up Linked In profiles for key members of Staff.

Funding

The Funding environment continues to be challenging.

CO3 continues to working collaboratively with NICVA, CENI and RCN to provide generic support to the sector under the Regional Infrastructure Support Programme supported by the Department of Social Development. This funding is for a fixed period until March 2015.

2013/ 2014 is the final year of funding under the Creating Change Programme from Lloyds TSB Foundation for NI. This has been an invaluable source of sustained funding for CO3 over a six year period to support the delivery of leadership development and mentoring to the Third Sector.

CO3 continues work in a consortium with NICVA and Stellar Leadership to deliver the final year of the Collaboration NI project, which is funded by BCT. The consortium has been able to successfully secure extended funding for the delivery of this project for a further 2 years until 2016.

Funding continues from Esmée Fairbairn Henry Smith Foundation for CO3 to manage the XChange programme for the period 2013-2016.

At the start of 2013, CO3 successfully obtained support for its social enterprise work with £7000 funding from Invest NI through its Social Entrepreneur Programme. During 2013/2014 CO3 has generated increasing interest in its social enterprise products. There have been some indications that this could be a good funding stream in 2014/2015.

CO3 has also made a successful application to the Building Change Trust to deliver Inspiring Impact.

Financial Review

Principal Funding Sources

CO3 derived its income from 3 sources: self-generated income from membership fees and services, sponsorship, and grant income. The level of core funding from the Department for Social Development is £35,763 which represents 12.76% of CO3 overall income. CO3 encourage and promote a social enterprise approach as a means to increase non restricted funding. CO3 has continued to deliver its social enterprise project with business support from Invest NI and has secured increased sales in relation to this area. CO3 has also been successful in securing work as lead delivery agent for the XChange Programme and as a partner in delivering CollaborationNI.

DIRECTORS' ANNUAL REPORT (CONT'D)

Reserves Policy

CO3 Finance, Audit and Risk Committee and Executive have considered the reserves required by the association to meet its liabilities and any unforeseen and extraordinary costs. CO3 has sought the advice of its auditors in setting this policy. CO3 continues to aim to achieve a reserve consisting of:

- A) 6 months of its operational costs
- b) One-off redundancy, legal and winding up costs, using a ratio of 5% of our total annual income.

Organisation Reserve	Six months' Salaries and operational cost	£80,000
Redundancy Costs & legal issues etc.	One off costs	£15,000
	Total	£95,000

At this point, the total required to provide an adequate reserve amounts to £95,000. CO3's actual level of reserve is at £58,750 which is a reduction from last year (£73,746) due to the deficit in the 2013/2014. The Executive Committee aims to achieve the reserves target within three years.

Plans for the Future

The year 2014/2015 will see CO3 transition as an organisation, with Nora Smith as our new Chief Executive. Nora will lead CO3 as it continues to diversify its funding stream with a broader range of products and services. As well as continuing to deliver on its Corporate Plan 2013-2016, the organisation will be focused on meeting the needs of members in the challenging financial circumstances and will seek to deliver training, networking and other services such as mentoring to help members lead through difficult times. As part of this we are reviewing the CO3 Membership Offering and Membership Structure. We do expect to continue to grow the range of ways in which funding comes into the organisation. The Executive Committee will also continue to refresh its membership. We are confident about our future and excited about the plans we are shaping, to further strengthen third sector leadership.

Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

DIRECTORS' ANNUAL REPORT (CONT'D)

Disclosure of Information to Auditors

To the knowledge and belief of the directors, there is no relevant information that the company's auditors are not aware of and the directors have taken all the steps necessary to ensure the directors are aware of any relevant information and to establish that the company's auditors are aware of the information.

Tax Status

Under sections 485 and 486 of the Income and Corporation Taxes Act 2010, CO3 Chief Officers Third Sector is entitled to charity tax exemption.

This report has been prepared in accordance with the Statement of Recommended Practice ('Accounting and Reporting by Charities') and the special provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

By order of the Board

Tracey McCreanor
Secretary
Date

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CO3 CHIEF OFFICERS THIRD SECTOR

We have audited the financial statements of CO3 Chief Officers Third Sector for the year ended 31 March 2014 which comprise the Statement of Financial Activities (including Income and Expenditure Account), the Balance Sheet and the related notes on pages 14 to 19. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities under the historical cost convention, and the accounting policies set out therein are also in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities'.

This report is made solely to the company's members, as a body, in accordance with sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities statement set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2014 and of its incoming resources and resources expended in the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CO3 CHIEF OFFICERS THIRD SECTOR (CONTINUED)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

J O'Rourke FCA (Senior Statutory Auditor)
For and on behalf of Harbinson Mulholland,
Chartered Accountants and Statutory Auditors
IBM House
4 Bruce Street
Belfast
BT2 7JD

Date

STATEMENT OF FINANCIAL ACTIVITIES
 FOR THE YEAR ENDED 31 MARCH 2014 (INCORPORATING THE INCOME AND
 EXPENDITURE ACCOUNT)

	<u>Notes</u>	Unrestricted funds £	Restricted funds £	<u>2014</u> Total funds £	<u>2013</u> Total funds £
INCOMING RESOURCES					
Incoming resources from generated funds					
<i>Activities for generating funds:</i>					
Membership income		35,960	-	35,960	37,455
Income from events		25,816	-	25,816	16,758
Sponsorship		5,900	-	5,900	808
Conference income		-	-	-	1,948
Miscellaneous income		5,602	-	5,602	4,500
<i>Investment income:</i>		68	-	68	48
Incoming resources from charitable activities					
Grants receivable	2	<u>90,696</u>	<u>116,163</u>	<u>206,859</u>	<u>149,375</u>
TOTAL INCOMING RESOURCES		<u>164,042</u>	<u>116,163</u>	<u>280,205</u>	<u>210,892</u>
RESOURCES EXPENDED					
Charitable activities	3,4	173,285	90,429	263,714	185,332
Governance costs	5	<u>4,042</u>	-	<u>4,042</u>	<u>6,096</u>
TOTAL RESOURCES EXPENDED		<u>176,727</u>	<u>90,429</u>	<u>267,157</u>	<u>191,428</u>
NET INCOMING (OUTGOING) RESOURCES FOR YEAR		<u>(13,285)</u>	<u>25,734</u>	<u>12,449</u>	<u>19,464</u>
Transfers					
Gross transfers between funds		<u>(1,711)</u>	<u>1,711</u>	-	-
Net movement in funds		(14,996)	27,445	12,449	19,464
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>73,746</u>	<u>7,000</u>	<u>80,746</u>	<u>61,282</u>
TOTAL FUNDS CARRIED FORWARD		<u>58,750</u>	<u>34,445</u>	<u>93,195</u>	<u>80,746</u>

The notes on pages 14 to 19 form part of these accounts.

BALANCE SHEET – 31 MARCH 2014

	<u>Notes</u>	<u>2014</u> £	<u>2013</u> £
FIXED ASSETS	8	4,856	7,577
CURRENT ASSETS			
Stock of reference material		-	600
Debtors	9	65,212	51,667
Cash at bank		<u>48,884</u>	<u>52,146</u>
		114,096	104,413
CREDITORS: amounts falling due within one year	10	<u>(25,757)</u>	<u>(31,244)</u>
NET CURRENT ASSETS		<u>88,339</u>	<u>73,169</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>93,195</u>	<u>80,746</u>
FUNDS			
Restricted funds	12	34,445	7,000
Unrestricted funds	12	<u>58,750</u>	<u>73,746</u>
		<u>93,195</u>	<u>80,746</u>

These accounts have been prepared in accordance with the provisions available to companies subject to the small companies regime within Part 15 of the Companies Act 2006, the Financial Reporting Standard for Smaller Entities (effective April 2008) and the Statement of Recommended Practice (SORP) ('Accounting and Reporting by Charities') 2005.

Approved by the board of directors on and signed on its behalf.

 John McMullan (Chair)

 Patrick Minne (Treasurer)

Registered in Northern Ireland number NI037439

The notes on pages 14 to 19 form part of these accounts

NOTES TO THE ACCOUNTS – 31 MARCH 2014

1 ACCOUNTING POLICIES

(a) Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities and the Statement of Recommended Practice 'Accounting and Reporting by Charities'.

(b) Incoming resources

Income is recognised in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor has specified that the income is to be expended in a future period.

Grants, including capital grants, from the government and other agencies have been included as income from activities in furtherance of the charity's objects where these amount to a contract for services, but included as donations where the money is given in response to an appeal or with greater freedom of use, for example, government block grants.

Donated facilities are included at the value to the charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

(c) Resources expended

Resources expended are included in the Statement of Financial Activities on an accruals basis, exclusive of any VAT which can be recovered.

Certain expenditure is directly attributable to specific activities and has been included in those cost categories. Certain other costs, which are attributable to more than one activity, are apportioned across cost categories on the basis of an estimate of the proportion of time spent on those activities.

(d) Tangible Fixed assets

The cost of fixed assets is their purchase cost, together with any incidental costs of acquisition.

At each balance sheet date, the carrying amounts of tangible assets are reviewed to determine whether there is an indication that those assets have suffered an impairment loss. Where the carrying value exceeds the estimated recoverable amount (being the greater of fair value less costs to sell and value-in-use), an impairment loss is recognised by writing down the assets cash-generating units to their recoverable amount. An impairment loss is recognised immediately in the profit and loss. Any reversal of a previous impairment loss is similarly recognised immediately in the profit and loss.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the full cost or valuation less estimated residual value of each asset over its estimated useful life. The principal rates in use are:

Fixtures, fittings and equipment - 3 years Straight Line

NOTES TO THE ACCOUNTS – 31 MARCH 2014 (CONTINUED)

1 ACCOUNTING POLICIES (CONT'D)

(e) Fund accounting

Funds held by the charity are either:

- Unrestricted general funds – these are funds which can be used in accordance with the charitable objects at the discretion of the directors.
- Restricted funds – these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when the funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

(f) Pension Scheme

Contributions to defined contribution pension arrangements are charged as outgoing resources as they fall due.

2 GRANTS RECEIVABLE

	<u>2014</u> £	<u>2013</u> £
<i>Incoming resources from charitable activities</i>		
Building Change Trust – Collaboration NI	60,696	31,146
Building Change Trust – Exploring Change	-	2,800
DSD - VCU - Leadership in Disadvantaged Areas Programme	-	40,643
DSD - VCU - Regional Infrastructure Programme (RIP)	-	8,800
DSD - VCU - Regional Infrastructure Support Programme (RISP)	35,763	23,986
Esme Fairbairne Henry Smith	100,400	20,000
Invest NI – Social Entrepreneur Programme	-	7,000
Lloyds TSB Foundation for NI	<u>10,000</u>	<u>15,000</u>
	<u>206,859</u>	<u>149,375</u>

3 BREAKDOWN OF COSTS OF CHARITABLE ACTIVITIES

	Activities Undertaken Directly £	Support Costs £	Total £
Member development & events	179,866	6,039	185,905
Member support services	35,069	1,177	36,246
Administration	-	<u>41,563</u>	<u>41,563</u>
	<u>214,935</u>	<u>48,779</u>	<u>263,714</u>

NOTES TO THE ACCOUNTS – 31 MARCH 2014 (CONTINUED)

4 SUPPORT COSTS	2014	2013
	£	£
Rent	9,260	11,047
Insurance	608	647
Telephone	2,732	2,658
Bank charges	187	285
Computer costs	297	823
Sundry costs	1,645	1,414
Legal and professional	9,898	1,617
Postage, printing and stationery	2,096	1,218
AGM and committee	-	-
Membership development	6,035	5,077
Membership support	1,181	1,746
Staff costs	12,118	10,766
Associate membership fees	-	523
Loss on disposal of fixed assets	-	1,100
Depreciation	<u>2,722</u>	<u>1,159</u>
	<u>48,779</u>	<u>40,080</u>

5 GOVERNANCE COSTS	2014	2013
	£	£
Audit fee	2,485	4,054
Board and AGM costs	<u>1,557</u>	<u>2,042</u>
	<u>4,042</u>	<u>6,096</u>

6 STAFF COSTS	2014	2013
	£	£
Wages and salaries	86,644	87,874
Employers NIC	8,507	8,768
Pension contributions	<u>7,434</u>	<u>6,907</u>
Total staff costs	<u>102,585</u>	<u>103,549</u>

The average number of persons employed by the company during the year was	2014	2013
Employees	3	4
Directors	<u>8</u>	<u>9</u>
	<u>11</u>	<u>13</u>

No employee (2013: none) received remuneration totalling more than £60,000 in the year.

7 TRUSTEES' REMUNERATION AND EXPENSES

The trustees, nor any person connected with them, have not received nor waived any emoluments or expenses during the year.

NOTES TO THE ACCOUNTS – 31 MARCH 2014 (CONTINUED)

8 FIXED ASSETS

	Fixtures, Fittings and Equipment
	£
Cost	
At 1 April 2013	10,880
Additions	-
Disposals	-
At 31 March 2014	<u>10,880</u>
Accumulated Depreciation	
At 31 March 2013	3,303
Charge for year	2,721
Disposals	-
At 31 March 2014	<u>6,024</u>
Net Book Value	
At 31 March 2014	<u>4,856</u>
At 31 March 2013	<u>7,577</u>

9 DEBTORS

	<u>2014</u>	<u>2013</u>
	£	£
Trade debtors	32,985	13,622
Prepayments and accrued income	<u>32,227</u>	<u>38,045</u>
	<u>65,212</u>	<u>51,667</u>

10 CREDITORS: amounts falling due within one year

	<u>2014</u>	<u>2013</u>
	£	£
Trade creditors	13,531	12,341
Other creditors & accruals	9,242	12,567
Tax and social security	2,155	2,311
Deferred income	<u>830</u>	<u>4,025</u>
	<u>25,757</u>	<u>31,244</u>

NOTES TO THE ACCOUNTS – 31 MARCH 2014 (CONTINUED)

11 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible fixed assets £	Net current assets £	Total £
Restricted funds	-	34,445	34,445
Unrestricted funds	<u>4,855</u>	<u>53,894</u>	<u>58,749</u>
	<u>4,855</u>	<u>88,339</u>	<u>93,194</u>

12 STATEMENT OF FUNDS

	Balance at 1 April <u>2013</u> £	Movement in resources		Transfers between Funds £	Balance 31 March <u>2014</u> £
		<u>Incoming</u> £	<u>Outgoing</u> £		
Unrestricted					
General fund	<u>66,169</u>	<u>164,042</u>	<u>(174,605)</u>	<u>(1,711)</u>	<u>53,895</u>
Designated fund:					
Office equipment	<u>7,577</u>	-	<u>(2,722)</u>	-	<u>4,855</u>
Total unrestricted funds	<u>73,746</u>	<u>164,042</u>	<u>(177,327)</u>	<u>(1,711)</u>	<u>58,750</u>
Restricted Funds					
Invest NI	7,000	-	(8,711)	1,711	-
Lloyds TSB Foundation for NI	-	10,000	(10,000)	-	-
Regional Infrastructure Support Programme	-	35,763	(35,763)	-	-
Esme Fairbairne Henry Smith	-	<u>70,400</u>	<u>(35,955)</u>	-	<u>34,445</u>
Total restricted funds	<u>7,000</u>	<u>116,163</u>	<u>(90,429)</u>	<u>1,711</u>	<u>34,445</u>
Total funds	<u>80,746</u>	<u>280,205</u>	<u>(267,757)</u>	-	<u>93,194</u>

The unrestricted funds of the charity represent free reserves available to the charity. The designated fund represents the separate identification of funds applied to the purchase of office equipment and will be reduced as the equipment is depreciated.

The restricted funds represent grants received by the charity for specific purposes as laid out in the terms of the grant, and the application of those funds for those purposes. At 31 March the one balance of £34,445 represents funds received to be distributed under the ‘Spot and Invest’ programme.

NOTES TO THE ACCOUNTS – 31 MARCH 2014 (CONTINUED)

13 PENSION COMMITMENTS

Defined Contribution Scheme

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £7,434 (2013: £6,907).

There were no amounts due to the pension fund at the year end (2013: £Nil).

14 CASH FLOW STATEMENT

The company is exempt from the requirements of Financial Reporting Standard 1 to include a cash flow statement, being a small company as defined within Part 15 of the Companies Act 2006.