

**CO3 CHIEF OFFICERS THIRD SECTOR  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

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**Company Registration number      NI037439**

## REFERENCE AND ADMINISTRATIVE INFORMATION

### DIRECTORS

Mr Andrew McCracken  
Mr Cameron Watt (Vice Chair)  
Ms Celine McStravick  
Ms Jenny Irvine  
Ms Karen Collins  
Ms Kate Fleck  
Ms Kate Laverty  
Ms Kerry Anthony (Chair)  
Mr Lauri McCusker  
Mr Patrick Minne (Treasurer)  
Ms Paula Jennings  
Ms Pam Hunter (resigned 19 February 2016)  
Mr J McMullan (resigned 29 October 2015)  
Mr D Smith (resigned 29 October 2015)

### SECRETARY AND REGISTERED OFFICE

Nora Smith  
34 Shaftesbury Square  
Belfast  
BT2 7DB

### AUDITORS

Harbinson Mulholland  
8<sup>th</sup> Floor  
Centrepoint  
24 Ormeau Avenue  
BELFAST  
BT2 8HS

### 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 2016.

### Principal Activities and Results for the Year

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

Incoming resources for the year amounted to £431,482 (2015: £411,486) and is attributable to the principal activity.

### 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 2015 – 31 March 2016.

- Mr Andrew McCracken
- Mr Cameron Watt
- Ms Celine McStravick
- Mr Doug Smith
- Ms Jenny Irvine
- Mr John McMullan
- Ms Karen Collins
- Ms Kate Fleck
- Ms Kate Lavery
- Ms Kerry Anthony
- Mr Lauri McCusker
- Ms Pam Hunter (resigned 19 February 2016)
- Mr Patrick Minne
- Ms Paula Jennings
- Mr J McMullan (resigned 29 October 2015)
- Mr D Smith (resigned 29 October 2015)

During 2015/2016 CO3's Executive Committee met five times to review progress and plan for the organisation.

#### Honorary Officers

- Kerry Anthony was appointed as Chair in October 2015 and continues in this role.
- Cameron Watt was appointed as Vice Chair in October 2015 and is standing down.
- Patrick Minne was appointed as Treasurer in December 2013 and continues in this role.

#### Audit and Risk Committee

During this year, CO3's Finance, Audit and Risk Committee sub-group met to provide scrutiny and support in audit and risk matters on the following dates:

1 April 2015, 2 September 2015, 15 October 2015, 10 February 2016, 23 March 2016

## 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. The risk register was reviewed and updated by CO3's Audit and Risk Committee and Executive Committee in June 2015.

### Staff

The Association employed four individuals during 2015/2016. This includes two full time posts, and two part time posts. CO3 also has a number of volunteers who provide support to CO3 throughout the year. We would like to thank all of the volunteer mentors who have supported the CO3 Mentoring Programme, and a special thanks to Gordon McDade for his invaluable support at CO3 events over the past year.

### Membership

CO3 has grown its membership since last year from 397 members to 615 members. The growth in membership can be seen below:

	<b>March 2015</b>	<b>March 2016</b>
Current Members	247	269
Associate Members	101	136
Corporate Members	49	61
Trustee Network	0	149
<b>Total</b>	<b>397</b>	<b>615</b>

### **Strategic Objectives for CO3**

The following aims and priorities are set out in the 2016-2019 CO3 Corporate Plan

#### Develop third sector leadership skills and knowledge

Aim 1: Enable third sector leaders to develop excellent skills and receive appropriate recognition.

Priorities for 2016-19:

- 1.1 Assess and develop the hard and soft leadership and management skills of chief officers
- 1.2 Invest in emerging leaders - managers in the sector who may become the next generation of chief officers; and promote succession planning
- 1.3 Develop the governance skills and knowledge of trustees/directors
- 1.4 Develop skills relevant to the commissioning/tendering agenda
- 1.5 Recognise excellent leadership through the Leadership Awards
- 1.6 Improve the data available on trends in third sector leadership
- 1.7 Provide members with distinctive, accurate, timely and relevant information, through the most appropriate methods
- 1.8 Provide members with appropriate resource materials and guides
- 1.9 Support third sector leaders to assess and improve the capacity of their organisations.

#### Facilitate networking and collaboration between leaders

Aim 2: Provide opportunities for third sector leaders to network, share with each other and receive mutual support.

Priorities for 2016-19:

- 2.1 Provide safe spaces for chief officer networking and mutual support
- 2.2 Facilitate networking between all third sector leaders
- 2.3 Facilitate networking between third sector leaders in Northern Ireland and elsewhere
- 2.4 Facilitate networking between third sector leaders and leaders in other sectors
- 2.5 Promote effective collaboration within the sector and with other sectors.

#### Support policy advocacy and communications

Aim 3: Support the public policy advocacy of third sector leaders.

Priorities for 2016-19:

- 3.1 Provide spaces for third sector leaders to have relevant public policy conversations
- 3.2 Provide opportunities for confidential discussions with ministers and other senior decision/policy-makers

## DIRECTORS' ANNUAL REPORT (CONT'D)

- 3.3 Develop third sector leaders' public policy advocacy and lobbying skills
- 3.4 Contribute to public policy development relevant to CO3's role
- 3.5 Promote a positive image of third sector leadership through effective public relations.

### Promote and build membership

Aim 4: Expand and develop CO3 membership.

Priorities for 2016-19:

- 4.1 Increase CO3 membership through recruiting new members and retaining existing members
- 4.2 Ensure an appropriate membership structure
- 4.3 Regularly assess member needs, views and satisfaction, in order to inform the development of services and member benefits
- 4.4 Develop appropriate membership benefits
- 4.5 Provide support and care to third sector leaders.

### Running an effective organisation

Aim 5: Ensure an effective, well-governed sustainable organisation which has the appropriate resources which are effectively and efficiently managed.

Priorities for 2016-19:

- 5.1 Assure and continuously improve the quality of delivery of all CO3 services and activities
- 5.2 Ensure the governance of CO3 role models best practice
- 5.3 Measure and report on the performance and impact of CO3
- 5.4 Ensure CO3 has the staffing it requires to achieve its plans and they are appropriately managed and supported to develop
- 5.5 Ensure CO3 generates sufficient funding to achieve its plans
- 5.6 Increase net income from social enterprise trading
- 5.7 Ensure sound financial planning, management and reporting
- 5.8 Ensure CO3 has the premises and physical resources to achieve its plans and these are effectively and efficiently managed.

## **Key Achievements**

CO3 is proud of its achievements over the last year. It has not only survived, but thrived, in an exceptionally tough external environment. These achievements include the following:

### Events and Member Engagements

CO3 has increased the opportunities for members through the growth in the number and range of events, including leadership training, development, networking and mentoring programmes. In this financial period CO3 ran 64 training or networking events with 1,346 delegates booked. Some of the highlights are listed below:

#### *Senior Fellows Programme*

CO3 ran its 4<sup>th</sup> Senior Fellowship Programme in October 2015 with 17 participants. The programme included a 360 appraisal, one to one coaching and facilitated sessions over five separate days which include 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 all of the Senior Fellows Alumni to attend. To date 51 leaders from the Third Sector have participated in the Senior Fellows Programme.

#### *Leading Edge*

CO3 also recognised that more than ever, third sector chief executives need a strong support network of senior managers to help address the leadership challenges organisations face. The Leading Edge Leadership Programme is a unique leadership programme specifically designed to support Senior Managers in their current role and to develop their leadership potential. The programme included a Myer Briggs assessment and is accredited to ILM level 5 in leadership. The programme took place in spring of 2015 over 5 days with 14 participants.

## DIRECTORS' ANNUAL REPORT (CONT'D)

### *Mentoring*

CO3 continued to run its Executive Mentoring programme during 2015/2016. The Programme began in April 2015 with 22 mentoring relationships completing. A new partnership was formed between CO3 Chief Officers 3<sup>rd</sup> Sector and the NI Assembly to offer a mentoring service to support Chief Executives and Senior Managers working in both the NI Assembly and the voluntary and community sector. The cross sectoral approach will allow mentors who have a wide range of knowledge and expertise from both the public and voluntary and community sector to be matched with mentees.

### *CO3 Leadership Awards 2016*

CO3 members achieved great public recognition through the very successful CO3 Leaderships Awards. The Leadership Awards took place on the evening of 25 February 2016 at Stormont Castle. Just under 200 delegates attended the glittering awards dinner as seven awards were presented throughout the night.

### *Trustee Network*

In April 2015 CO3 established a new Trustee Network and delivered a series of relevant events to board members/trustees/directors. CO3 delivered 10 events in this financial period, and now has just under 150 Trustee Network members.

### Information and Calls for Help

- Email briefings are sent to members on a weekly basis.
- The CO3 Magazine is issued twice a year.
- CO3 issued 21 Calls for Help this year.
- CO3 also issues interchange opportunities.

### Website

In 2015/2016 CO3 had 204,784 visitors to its website.

### Members Support Services

CO3 has continued to develop the range of services that members have access to.

- CO3 delivers the Interim CEO programme (and relevant training) and has placed more than a dozen Interim Executives in organisations.
- CO3 also offers a range of free services and these include free Legal advice, Counselling advice, HR advice, Corporate Governance advice, Fundraising advice, PR advice, Investment advice, Restructuring and Insolvency advice, Marketing and Branding advice. We are grateful to our Corporate Members for their continued support of these services.

### Strategic Alliances

CO3 continued to meet regularly with its Scottish and English counterparts ACOSVO and ACEVO. CO3 also continues to work with NICVA, CENI, RCN and CDHN 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 2015. CO3 continues to meet with a range of stakeholders within the Third Sector to build its networks and connections and where possible to work in partnership. CO3 also continues to explore other partnership work with the NI Assembly, the Ulster University Business School and Queen's School of Management to jointly promote leadership.

### Profile

CO3 continues to build its brand and profile. We received good coverage of the Leadership Awards in the regional and local papers and in terms of social media CO3 now has over 3,000 followers on Twitter and is also on LinkedIn and Facebook.

### Special Interest Groups

CO3 forms special interest groups as and when requested by members. During this year, CO3's Health and Social Care Special Interest Group (SIG) met seven times.

## DIRECTORS' ANNUAL REPORT (CONT'D)

### Public Affairs

CO3 supports chief officers to come together for engagement and dialogue on collective issues. The Association has provided increased opportunity for public policy engagement. In this financial period we have facilitated 6 round tables, linking third sector leaders to government ministers, party political leaders and senior civil servants. We are grateful to all of the CO3 members who hosted and chaired these sessions.

### Path to Impact Service

In January 2016, we launched our "Path to Impact" project to assess and strengthen the capacity of third sector organisations in Northern Ireland and Scotland. 50 third sector organisations were selected in Scotland and 50 in Northern Ireland to participate in this unique, three-year pilot.

## Financial Review

### Funding

The Funding environment continues to be challenging. CO3 derived its income from 3 sources: self-generated income from membership fees and services, sponsorship, and grant income.

### *Membership Fees and Services Income*

Our Membership Income has increased from £40,119 in 2015 to £48,449 in 2016 and this has been due to a strategy to grow the number of members, without increasing any of the rates.

CO3 continues to develop a range of services that members can be purchased. CO3 now offers the following new services:

- Interim Executive Service
- Executive Coaching Service
- 360 Appraisal Service
- New to Post Service
- CEO Recruitment

Income from events and services has decreased from £88,904 to £83,414.

### *Sponsorship*

CO3 has a number of Corporate Partners who continue to generously support CO3 by hosting our free networking events.

CO3 also receives sponsorship for many flagship events including Members' Day, the Leaders on Leadership breakfast and the CO3 Leadership Awards. CO3 is particularly grateful to Ecclesiastical for its continued support of the CO3 Conference and Awards.

### *Grants Income*

The level of funding from grants has increased from £264,443 in y/e 31 March 2015 to £269,831 in y/e 31 March 2016.

- 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 has been extended for a one year fixed period until March 2017.
- CO3 continues work in a consortium with NICVA and Stellar Leadership to deliver phase 2 of the Collaboration NI project, which is funded by BCT. The funding for this project will end in October 2016.
- Funding from Esme Fairbairn Henry Smith Foundation for the XChange programme will end in 2017.
- CO3 has secured funding from the Building Change Trust to deliver a phase two of the Inspiring Impact programme for one year 2016/2017
- In January 2016, CO3 secured a funding grant of £358,810 from the Big Lottery Fund to run a 3 year pilot project – Path to Impact.

## 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
	<b>Total</b>	<b>£95,000</b>

At this point, the total required to provide an adequate reserve amounts to £95,000. CO3's actual level of unrestricted reserve is at £103,393 which is an increase from last year (£69,279).

### **Plans for the Future**

The year 2016/2017 will see CO3 continue to diversify its funding stream with a broader range of products and services. As well as delivering its corporate plan 2016-2019, CO3 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 continuing a growth strategy in terms of the membership, and the membership structure e.g. CO3's new Trustee Network now has close to 150 members.

We will continue to grow the range of ways in which funding comes into the organisation, and to develop our range of products and services that we offer to members.

The Executive Committee will also continue to refresh its membership. We are confident about our future and excited about the plans we have shaped, 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 the provisions of Part 11 of the Corporation Tax 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

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Nora Smith  
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 2016 which comprise the Statement of Financial Activities (including Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows 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' (effective 1 January 2015).

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 7, 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 2016 and of its incoming resources and resources expended in the year 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  
(CONT'D)**

**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**  
8<sup>th</sup> Floor  
Centrepoint  
24 Ormeau Avenue  
BELFAST  
BT2 8HS

Date .....

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)**

	Notes	2016			2015		
		Unrestricted Funds £	Restricted Funds £	Total £	Unrestricted Funds £	Restricted Funds £	Total £
<b>Income from:</b>							
Other trading activities	2	161,538	-	161,538	146,966	-	146,966
Charitable activities	3	49,249	220,582	269,831	79,607	184,836	264,443
Investment income		113	-	113	77	-	77
<b>Total</b>		210,900	220,582	431,482	226,650	184,836	411,486
<b>Expenditure on:</b>							
Charitable activities	4	176,786	208,142	384,928	216,121	158,631	374,752
<b>Total</b>		176,786	208,142	384,928	216,121	158,631	374,752
<b>Net income/(expenditure)</b>		34,114	12,440	46,554	10,529	26,205	36,734
<b>Transfer between funds</b>		-	-	-	-	-	-
<b>Net movement in funds</b>		34,114	12,440	46,554	10,529	26,205	36,734
<b>Reconciliation of funds:</b>							
Total funds brought forward		69,279	60,650	129,929	58,750	34,445	93,195
<b>Total funds carried forward</b>		103,393	73,090	176,483	69,279	60,650	129,929

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

All incoming resources and resources expended derive from continuing activities.

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

**BALANCE SHEET**

	Notes	2016	2015
		£	£
<b>FIXED ASSETS</b>	8	-	2,389
<b>CURRENT ASSETS</b>			
Debtors	9	177,005	71,889
Cash at bank		153,458	84,962
		330,463	156,851
<b>CREDITORS: amounts falling due within one year</b>	10	(153,980)	(29,311)
<b>NET CURRENT ASSETS</b>		176,483	127,540
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		176,483	129,929
<b>FUNDS</b>			
Restricted funds	12	73,090	60,650
Unrestricted funds	12	103,393	69,279
		176,483	129,929

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 and the Statement of Recommended Practice (SORP) ('Accounting and Reporting by Charities') 2015.

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

\_\_\_\_\_  
Kerry Anthony (Chair)

\_\_\_\_\_  
Patrick Minne (Treasurer)

Registered in Northern Ireland number NI037439

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

**STATEMENT OF CASH FLOWS**

	Notes	2016	2015
		£	£
<b>Net cash inflow from operating activities</b>	14	68,383	36,001
<b>Returns on investments and servicing of finance</b>			
Interest received		113	77
		113	77
<b>Net cash inflow before financing</b>		68,496	36,078
<b>Increase in cash in the year</b>		68,496	36,078

## NOTES TO THE ACCOUNTS

### 1 ACCOUNTING POLICIES

#### (a) Accounting convention

These financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (effective January 2015) and the Financial Reporting Standard for Smaller Entities (effective January 2015). This has been adopted by the company for the first time in these financial statements. The date of transition was 1 April 2014 and no adjustments were necessary to the prior year statements as a result of that change. The principal accounting policies are set out below.

The directors consider that these accounting policies are suitable, have been consistently applied and are supported by reasonable and prudent judgement and estimates.

#### (b) Income

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) Expenditure

Expenditure is 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 Statement of Financial Activities. Any reversal of a previous impairment loss is similarly recognised immediately in the Statement of Financial Activities.

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
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**NOTES TO THE ACCOUNTS (CONT'D)**

**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 INCOME FROM OTHER TRADING ACTIVITIES**

	2016	2015
	£	£
Membership income	48,449	40,119
Income from events	83,414	88,904
Sponsorship	28,600	16,200
Miscellaneous income	1,075	1,743
	161,538	146,966

**3 INCOME FROM CHARITABLE ACTIVITIES**

	2016	2015
	£	£
Big Lottery Fund	97,280	-
Building Change Trust – Collaboration NI	25,718	32,603
Building Change Trust	3,000	12,000
DSD - VCU - Regional Infrastructure Support Programme (RISP)	33,356	33,959
Esme Fairbairne Henry Smith	89,946	182,018
Fermanagh District Council	-	2,426
Small grants	20,531	1,437
	269,831	264,443

**NOTES TO THE ACCOUNTS (CONT'D)**

**4 BREAKDOWN OF EXPENDITURE ON CHARITABLE ACTIVITIES**

	Activities Undertaken Directly	Support Costs	2016 Total	2015 Total
	£	£	£	£
Member development & events	188,383	4,250	192,633	155,512
Member support services	147,408	3,326	150,734	162,239
Administration	-	41,561	41,561	57,001
	<u>335,791</u>	<u>49,137</u>	<u>384,928</u>	<u>374,752</u>

**5 SUPPORT COSTS**

	2016	2015
	£	£
Rent	9,716	9,190
Insurance	1,428	691
Telephone	2,498	2,714
Bank charges	341	272
Computer costs	730	3,336
Sundry costs	287	4,155
Legal and professional	2,731	4,140
Postage, printing and stationery	2,846	7,703
Equipment hire	-	901
Membership development	-	2,604
Membership support	429	3,143
Staff costs	18,200	18,800
Associate membership fees	471	333
Depreciation	2,389	2,467
Audit	1,800	2,340
Governance	801	608
Bad debts	4,470	-
	<u>49,137</u>	<u>63,397</u>

**6 STAFF COSTS**

	2016	2015
	£	£
Wages and salaries	104,049	112,833
Employers NIC	7,881	10,585
Pension contributions	7,050	2,445
Total staff costs	<u>118,980</u>	<u>125,863</u>

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

	2016	2015
Employees	4	5
Directors	<u>12</u>	<u>11</u>
	<u>16</u>	<u>16</u>

No employee (2015: none) received remuneration totalling more than £60,000 in the year.

**NOTES TO THE ACCOUNTS (CONT'D)**

**7 DIRECTORS' REMUNERATION AND EXPENSES**

During the two years ended 31 March 2016 no director, nor any person connected with them, have received or waived any emoluments or expenses.

**8 FIXED ASSETS**

	<u>Fixtures, Fittings and Equipment</u> £
<b>Cost</b>	
At 1 April 2015	10,880
Additions	-
Disposals	-
At 31 March 2016	<u>10,880</u>
<b>Accumulated Depreciation</b>	
At 31 March 2015	8,491
Charge for year	2,389
Disposals	-
At 31 March 2016	<u>10,880</u>
<b>Net Book Value</b>	
At 31 March 2016	<u>-</u>
At 31 March 2015	<u>2,389</u>

**9 DEBTORS**

	2016	2015
	£	£
Trade debtors	21,115	20,329
Prepayments and accrued income	155,890	51,560
	<u>177,005</u>	<u>71,889</u>

**10 CREDITORS: amounts falling due within one year**

	2016	2015
	£	£
Trade creditors	34,780	11,718
Other creditors & accruals	3,105	11,228
Tax and social security	-	2,765
Deferred income	116,095	3,600
	<u>153,980</u>	<u>29,311</u>

NOTES TO THE ACCOUNTS (CONT'D)

11 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible fixed assets	Net current assets	Total
	£	£	£
<b>Restricted funds</b>	-	73,090	73,090
<b>Unrestricted funds</b>	-	103,393	103,393
	-	176,483	176,483

12 STATEMENT OF FUNDS

	Balance at 1 April 2015	Income Expenditure		Transfers between Funds	Balance 31 March 2016
	£	£	£	£	£
<b>Unrestricted funds</b>					
General fund	66,890	210,900	(174,397)	-	103,393
Designated fund: Office equipment	2,389	-	(2,389)	-	-
Total unrestricted funds	69,279	210,900	(176,786)	-	103,393
<b>Restricted funds</b>					
Big Lottery	-	97,280	(65,895)	-	31,385
RISP	-	33,356	(33,356)	-	-
Esme Fairbairn Henry Smith	60,650	89,946	(108,891)	-	41,705
Total restricted funds	60,650	220,582	(208,142)	-	73,090
<b>Total funds</b>	129,929	431,482	(384,928)	-	176,483

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 2016 the balance of £73,090 represents funds received from the Esme Fairbairn Henry Smith Foundation to be distributed under the 'Spot and Invest' programme, and funds received from the Big Lottery to pilot the Core Capacity Assessment Tool with third sector organisations in order to gain insight into the sector's capacity.

**NOTES TO THE ACCOUNTS (CONT'D)**

**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 £7,050 (2015: £2,445).

There were no amounts due to the pension fund at the year end (2015: £Nil).

**14 RECONCILIATION OF OPERATING SURPLUS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2016	2015
	£	£
Net incoming resources for the year	46,554	36,734
Depreciation	2,389	2,467
Decrease/(increase) in debtors	(105,116)	(6,677)
Increase/(decrease) in creditors	124,669	3,554
Interest received	(113)	(77)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>68,383</b>	<b>36,001</b>

**15 CONTINGENT LIABILITY**

CO3 has sought confirmation from HMRC that it qualifies for the VAT education exemption regarding some of its activities. At the balance sheet date no decision had been reached by HMRC, but in the event of an adverse finding, the company may be liable to VAT on some of the income recognised in the year.

Our Ref: 51125