

Registered number: 04279401
Charity number: 1092047

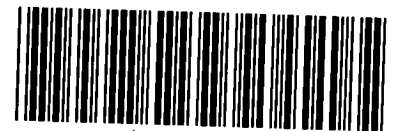
COMMUNITY ACTION: MK
(A company limited by guarantee)

UNAUDITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

THURSDAY



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COMMUNITY ACTION: MK
(A company limited by guarantee)

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COMMUNITY ACTION: MK
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2018**

Trustees

G A Yafai
S Ewedemi
L Lovell
J A Dawes
R F Kitchen
D Conway (Appointed 1/4/17)
D L Webber (Appointed 28/4/17)
J D Marshall (Resigned 4/10/17)
S Thornton (Resigned 4/10/17)

Company registered number

04279401

Charity registered number

1092047

Registered office

Acorn House, Midsummer Boulevard, Milton Keynes, MK9 3HP

Company secretary

C Walton

Independent examiners

MHA MacIntyre Hudson, Moorgate House, 201 Silbury Boulevard, Milton Keynes, Buckinghamshire, MK9 1LZ

Bankers

Natwest Bank PLC, 501 Silbury Boulevard, Saxon Gate East, Milton Keynes, MK9 3ER

COMMUNITY ACTION: MK
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2018

The trustees present their annual report together with the financial statements of the group and the company for the year 1 April 2017 to 31 March 2018. The trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective 1 January 2015).

Since the company qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

GOING CONCERN

After making appropriate enquiries, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The charity is a company limited by guarantee and was incorporated on 31 August 2001. It is governed by its Memorandum and Articles of Association.

The directors, as defined by the Memorandum and Articles, act as directors of the company and, as the organisation is a registered charity, act also as its charitable trustees.

The trustees at 31 March 2018 are listed on page 1.

Recruitment and Appointment of the board of trustees

The trustees are elected annually by the members of the charity attending the Annual General Meeting and serve for an initial period of three years. A further three year term may be served. Trustees must be nominated from member organisations.

A limited number of additional trustees may also be co-opted onto the trustee board. Trustees meet six times a year. An executive sub-committee, comprising the chair, vice chair and treasurer meet with senior staff bimonthly. From time to time, the board delegates discrete pieces of work to Task Groups, membership of which comprises of at least two trustees plus other appropriate members.

Trustee Induction and Training

New trustees receive both a verbal and written induction. The Trustee Handbook is regularly updated to ensure that the information is accurate and reflects current practice. Trustees are asked to complete a skills audit and skill gaps across the board are discussed and additional trustees are co-opted to meet agreed needs. The Chair is provided with membership to the Association of Chairs which offers a range of support and training opportunities.

COMMUNITY ACTION: MK
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2018

Risk Management

The trustees continue to monitor the major risks which the charity faces in relation to external factors and relationships, its governance and management, its internal operations and its business. There is an annual formal review of risk alongside agreed processes and procedures designed to provide reasonable, but not absolute assurance against material misstatement or loss. They include:

- A Five year Strategic Framework and annual budget approved by the trustees.
- Regular consideration by the trustees of financial results, variance from budgets and performance against the annual plan.
- Delegation of authority and separation of duties.

Internal financial controls conform to guidelines issued by the Charity Commission.

Subsidiaries

The Charity is the guarantor for Community Action: Development Services CIC and acts as the asset locked body for the CIC. The Company is currently dormant, however the objects of the Company are to carry on activities which benefit the community and in particular (without limitation) the residents of Milton Keynes by developing and sustaining community activity.

When active, the company is governed through a board of Directors (two of which are Trustees of the Charity) and reports progress to the Charity's Board of Trustees at each meeting.

OBJECTIVES AND ACTIVITIES

The charitable company's objects and principal activities are to:

Promote any charitable purposes for the benefit of the public, principally but not exclusively in the local government area of Milton Keynes and its environs and, in particular, build the capacity of third sector organisations and provide them with the necessary support, information and services to enable them to pursue or contribute to any charitable purpose.

Promote, organise and facilitate co-operation and partnership working between the voluntary and community sector, statutory and other relevant bodies in the achievement of the above purposes within the area of benefit.

Our Vision is of a Good Society, composed of sustainable and resilient communities where people have opportunities to be active and engaged, and are supported by a healthy and thriving Voluntary and Community Sector.

Our Mission is to educate, empower and enable people and groups to champion the change they wish to see in their communities. Community Action: MK will provide the very best support and give a voice to the Voluntary and Community Sector.

At Community Action: MK we believe:

That Voluntary and Community action is at the heart of a good society. That a Good Society promotes fairness and social justice and people are enabled to take action for positive change. That the voluntary and community sector plays a vital role in creating and facilitating opportunities for participation, action and decision making in local communities. That the Good Society creates a sense of community where people volunteer for the causes and organisations which are close to their hearts, minds and values.

COMMUNITY ACTION: MK
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2018

PUBLIC BENEFIT

Community Action: MK aims to provide public benefit by advancing community development through its support of community and voluntary organisations in Milton Keynes. We do this by providing information, advice and training to those organisations, and by working strategically and operationally to promote and support effective community involvement.

Our trustees and staff work together to draw up our strategic plan from which priorities are set and specific work plans devised. Throughout this process the trustees have regard to the Charity Commission's guidance on public benefit and ensure that our services meet those criteria. Our achievements and performance in the reporting period provide evidence of our impact for public benefit.

ACHIEVEMENTS AND PERFORMANCE

Our aim is to support charities and community groups in Milton Keynes to be skilled, knowledgeable and well run so that they are able to achieve their aims and collaborate effectively with others. This has been particularly challenging as we have no core funding to undertake these functions. Over the year we have restructured our organisation in order to take account of our current financial challenges, and we have shaped our work so we are able to continue to provide infrastructure support.

Over the year we have: - Supported 89 groups with 1:1 Sessions, 85 people attended Volunteer Centre Drop In. 731 new volunteers registered through CA:MK website, 204 volunteer opportunities promoted.

We have provided opportunities for groups to network with each other and to share the diverse range of interests and needs in Milton Keynes.

We also support volunteering within Milton Keynes, principally by managing a Volunteer Brokerage Service for Milton Keynes. Through our Volunteering Service we work with local charities and community groups to help them recruit volunteers for their organisations. This is a service we are seeking to develop and are looking for funding to do so. We also work with members of the public giving them information, advice and guidance on volunteering opportunities and help them choose the right role, we continue to offer 1:1 appointments and run a weekly drop-in session.

COMMUNITY ACTION: MK
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2018

FINANCIAL REVIEW

Total incoming resources for the year amounted to £382,346 which is a net increase of £2,681 on 2017. Total outgoing resources for the year amounted to £571,392, an increase of £47,259 over 2017.

By far the largest cost of the charity continues to be its staff and in 2018 the average number of staff reduced from 17 to 14. The annual transfer to MK Community Foundation in respect of the Roof Tariff VCS grants programme amounted to £82,173 in 2018 compared to £159,531 in 2017. As a result, the charity showed an overall deficit of £189,046 for the year (2017: £144,468). The deficit on unrestricted funds was £53,834 (2017 deficit of £193,546) and the deficit on restricted funds was £135,212 (2017 surplus of £49,078).

RESERVES POLICY

The charity's restricted reserves at 31 March 2018 stand at £599,935 (2017: £735,147), of which £439,637 (2017: £435,251) represents monies unspent on the roof tariff programme, while unrestricted reserves amount to £118,309 (2017: £172,143).

Unrestricted reserves include two designated reserves. A strategic development reserve of £150,000 was set up in 2009-10, to be drawn against as development opportunities arose and associated asset acquisitions were depreciated. At March 2018 this reserve had been fully utilised (2017: £11,657).

In view of the current uncertainties throughout the sector as a whole regarding future funding availability, we have retained a separate designated exit contingency reserve of £100,516 (2017: £167,000) which was set up in 2011. This represents an estimated 3 months running costs which would be incurred during an orderly wind-down of the charity's operations.

Free unrestricted reserves therefore stand at £17,793 (2017: £6,515 deficit), and are held to provide the charity with sufficient working capital to enable it to meet its day-to-day requirements.

Restricted funds are held to be spent in the future in accordance with the wishes and requirements of the fund providers.

INVESTMENT POLICY

Under its constitution, the charity has the power to make any investment that the trustees see fit. The total investment return generated was £12,568 (2017: £16,207) with investment management fees of £7,001 (2017: £10,837).

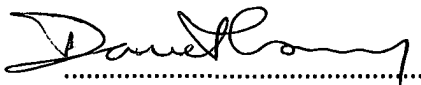
COMMUNITY ACTION: MK
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2018

PLANS FOR FUTURE PERIODS

We have been in the process of developing a new Strategic Plan which will launch in November 2018, and will work within our agreed strategic framework and associated 3 year business plan. This sets out the areas of work and investment needed in order to generate the required surplus to support the Charity to fulfil its objectives. We are focused on areas of business that build on our existing expertise, experience and contacts base.

This report was approved by the Trustees, on 14-11-18 and signed on their behalf by:



.....
D Conway
Trustee

COMMUNITY ACTION: MK
(A company limited by guarantee)

TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 MARCH 2018

The Trustees (who are also directors of Community Action: MK for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

COMMUNITY ACTION: MK
(A company limited by guarantee)

**INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 MARCH 2018**

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF COMMUNITY ACTION: MK (the
'company')**

I report to the charity Trustees on my examination of the accounts of the company for the year ended 31 March 2018.

This report is made solely to the company's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the company's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the company and the company's Trustees as a body, for my work or for this report.

RESPONSIBILITIES AND BASIS OF REPORT

As the Trustees of the company (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the company's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

INDEPENDENT EXAMINER'S STATEMENT

Since the company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of (enter body here), which is one of the listed bodies.

I have completed my examination. I can confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

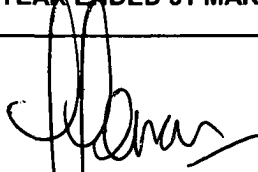
1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

COMMUNITY ACTION: MK
(A company limited by guarantee)

INDEPENDENT EXAMINER'S REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2018

Signed:



Martin Herron BA ACA
(Senior Statutory Auditor)

Dated: 7 DECEMBER 2018

Moorgate House
201 Silbury Boulevard
Central Milton Keynes
MK9 1LZ

COMMUNITY ACTION: MK
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2018

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:					
Donations and legacies	2	12,159	357,243	369,402	363,240
Investment income	3	12,944	-	12,944	16,425
TOTAL INCOME		25,103	357,243	382,346	379,665
EXPENDITURE ON:					
Charitable activities:					
Direct costs	4	8,986	133,596	142,582	162,381
Support costs	5	180,472	244,599	425,071	357,646
Governance	6	3,739	-	3,739	4,106
TOTAL EXPENDITURE		193,197	378,195	571,392	524,133
NET EXPENDITURE BEFORE TRANSFERS		(168,094)	(20,952)	(189,046)	(144,468)
Transfers between funds	18	114,260	(114,260)	-	-
NET EXPENDITURE BEFORE OTHER RECOGNISED GAINS AND LOSSES		(53,834)	(135,212)	(189,046)	(144,468)
NET MOVEMENT IN FUNDS		(53,834)	(135,212)	(189,046)	(144,468)
RECONCILIATION OF FUNDS:					
Total funds brought forward		172,143	735,147	907,290	1,051,758
TOTAL FUNDS CARRIED FORWARD		118,309	599,935	718,244	907,290

The notes on pages 13 to 29 form part of these financial statements.

COMMUNITY ACTION: MK
(A company limited by guarantee)
REGISTERED NUMBER: 04279401

BALANCE SHEET
AS AT 31 MARCH 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	11		1,396		3,678
Investments	12		643,811		741,526
			<u>645,207</u>		<u>745,204</u>
CURRENT ASSETS					
Debtors	13	60,208		131,407	
Cash at bank and in hand		54,418		55,257	
		<u>114,626</u>		<u>186,664</u>	
CREDITORS: amounts falling due within one year	14	(40,641)		(23,209)	
NET CURRENT ASSETS			<u>73,985</u>		<u>163,455</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>719,192</u>		<u>908,659</u>
CREDITORS: amounts falling due after more than one year	15		(948)		(1,369)
NET ASSETS			<u>718,244</u>		<u>907,290</u>
CHARITY FUNDS					
Restricted funds	18		599,935		735,147
Unrestricted funds	18		118,309		172,143
TOTAL FUNDS			<u>718,244</u>		<u>907,290</u>

COMMUNITY ACTION: MK
(A company limited by guarantee)

BALANCE SHEET (continued)
AS AT 31 MARCH 2018

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

The Trustees consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act.

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on 14-11-18 and signed on their behalf, by:


D Conway (Trustee)

The notes on pages 13 to 29 form part of these financial statements.

COMMUNITY ACTION: MK
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

1. ACCOUNTING POLICIES

1.1 General Information

The charity (registered number: 04279401) is a private company and registered charity, limited by guarantee, in England and Wales. The address of its registered office is Acorn House, 351 Midsummer Boulevard, Milton Keynes, MK9 3HP.

The principal activity is to provide public benefit by advancing community development through its support of community and voluntary organisations in Milton Keynes. This is done by providing information, advice and training to organisations and by working strategically and operationally to promote and support effective community involvement.

The financial statements are presented in Sterling, which is also the functional currency of the company.

1.2 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Community Action: MK meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.3 Going concern

The financial statements have been prepared on a going concern basis. The staff and trustees of Community Action: MK are developing a new Five Year Plan and developed an associated business plan in late 2017. The trustees are of the view that on the basis of these plans the charity is a going concern.

COMMUNITY ACTION: MK
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

1. ACCOUNTING POLICIES (continued)

1.4 Income

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the company is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the company, or the company is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donated services or facilities are recognised when the company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the company of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the Trustees' report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the company which is the amount the company would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Charitable activities and Governance costs are costs incurred on the company's operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

COMMUNITY ACTION: MK
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

1. ACCOUNTING POLICIES (continued)

1.6 Tangible fixed assets and depreciation

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities incorporating income and expenditure account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold improvements	-	16.66% - 33% Straight line
Office equipment	-	16.66% - 50% Straight line

1.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of financial activities incorporating income and expenditure account.

1.8 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the Bank.

1.9 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of financial activities incorporating income and expenditure account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.10 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

1.11 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

COMMUNITY ACTION: MK
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

1. ACCOUNTING POLICIES (continued)

1.12 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.13 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.14 Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.15 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

1.16 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

COMMUNITY ACTION: MK
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Homelessness partnership	-	3,000	3,000	-
MK Futures	-	14,999	14,999	-
Roof Tariff Funds	-	150,000	150,000	-
MKC Infrastructure Report	-	30,036	30,036	45,833
Big Local Conniburrow	-	21,000	21,000	19,250
Local People	-	32,530	32,530	21,480
Community Action Platform for Energy	-	20,791	20,791	11,828
Manage My Money	-	33,169	33,169	-
Section 106	-	71	71	170,336
Peoples Health Trust	-	-	-	52,351
Unrestricted Funding	12,159	-	12,159	24,846
Capital of Culture	-	4,926	4,926	-
Simpson & Ashland	-	7,986	7,986	-
Governance	-	8,785	8,785	-
MK Smart	-	3,038	3,038	-
Pedalling culture	-	2,095	2,095	-
MK Mental Health	-	6,500	6,500	-
VCS Research Project	-	4,639	4,639	-
WFU	-	13,678	13,678	-
Energage	-	-	-	17,316
Total donations and legacies	12,159	357,243	369,402	363,240
Total 2017	24,846	338,394	363,240	

3. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Investment dividend income	9,695	-	9,695	10,739
Bank interest income receivable	376	-	376	218
Net gains on investment	2,873	-	2,873	5,468
	12,944	-	12,944	16,425
Total 2017	16,425	-	16,425	

COMMUNITY ACTION: MK
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

4. DIRECT COSTS

	Activities £	Total 2018 £	Total 2017 £
Grant expenditure	107,926	107,926	124,360
Project expenditure	27,655	27,655	27,184
Investment management fees	7,001	7,001	10,837
	<u>142,582</u>	<u>142,582</u>	<u>162,381</u>
Total 2017	<u>162,381</u>	<u>162,381</u>	

5. SUPPORT COSTS

	Governance £	Support costs £	Total 2018 £	Total 2017 £
Legal & Professional	3,739	17,077	20,816	3,705
Staff salaries	-	319,086	319,086	267,743
Rent, rates and service charges	-	18,011	18,011	36,705
Communication & IT	-	16,528	16,528	17,798
Training & Marketing	-	2,313	2,313	2,672
Bank Charges & Interest	-	1,164	1,164	779
Depreciation	-	2,282	2,282	5,298
Profit on disposal of fixed assets	-	(1,400)	(1,400)	-
Other expenses	-	11,491	11,491	8,737
Other repairs & maintenance	-	1,362	1,362	1,572
Other outgoing resources	-	37,157	37,157	12,637
Subtotal	<u>3,739</u>	<u>425,071</u>	<u>428,810</u>	<u>357,646</u>
Governance costs	-	-	-	4,106
	<u>3,739</u>	<u>425,071</u>	<u>428,810</u>	<u>361,752</u>
Total 2017	<u>3,641</u>	<u>357,646</u>	<u>361,287</u>	

6. GOVERNANCE COSTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Independent examination fee & AGM costs	3,739	-	3,739	4,106

COMMUNITY ACTION: MK
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

7. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018	2017
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	2,282	5,298
	<u><u>2,282</u></u>	<u><u>5,298</u></u>

During the year, no Trustees received any remuneration (2017 - £NIL).

During the year, no Trustees received any benefits in kind (2017 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2017 - £NIL).

8. INDEPENDENT EXAMINERS' REMUNERATION

The Independent Examiner's remuneration amounts to an Independent Examination fee of £2,360. The prior year accounts were audited for a fee of £2,660.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

9. STAFF COSTS

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

	2018	2017
	No.	No.
Employee numbers	14	17

No employee received remuneration amounting to more than £60,000 in either year.

Key Management Personnel

Key management personnel include all persons that have authority and responsibility for planning, directing, and controlling the activities of the charity. The total compensation paid to key management personnel for services provided to the charity was £38,441 (2017: £78,856).

Wages Costs

	2018	2017
	£	£
Wages and salaries	297,217	236,462
Social security costs	18,212	28,675
Employer contributions to pension plans	3,657	2,607
Total	319,086	267,744

10. TRANSFERS BETWEEN FUNDS

The funds transfer relates to transfers of resources between various restricted funds and allocation of costs between unrestricted funds and restricted funds, both in accordance with the wishes and requests of the relevant grant providers.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

11. TANGIBLE FIXED ASSETS

	Leasehold improvements £	Office equipment £	Total £
Cost			
At 1 April 2017	26,178	69,069	95,247
Disposals	-	(1,872)	(1,872)
At 31 March 2018	<u>26,178</u>	<u>67,197</u>	<u>93,375</u>
Depreciation			
At 1 April 2017	26,178	65,391	91,569
Charge for the year	-	2,282	2,282
On disposals	-	(1,872)	(1,872)
At 31 March 2018	<u>26,178</u>	<u>65,801</u>	<u>91,979</u>
Net book value			
At 31 March 2018	<u>-</u>	<u>1,396</u>	<u>1,396</u>
At 31 March 2017	<u>-</u>	<u>3,678</u>	<u>3,678</u>

12. FIXED ASSET INVESTMENTS

		Unlisted securities £
Market value		
At 1 April 2017		741,526
Additions		101,293
Disposals		(196,135)
Unrealised losses		(2,873)
At 31 March 2018		<u>643,811</u>
Investments at market value comprise:		
	2018	2017
	£	£
Unlisted investments	<u>643,811</u>	<u>741,526</u>

All the fixed asset investments are held in the UK

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

12. FIXED ASSET INVESTMENTS (continued)

Valuation

All investments above are held at valuation.

Community Action: MK has a 100% interest in Community Action Development Services CIC, a company limited by guarantee.

13. DEBTORS

	2018	2017
	£	£
Trade debtors	4,924	8,127
Amounts owed by group undertakings	50,808	117,999
Other debtors	303	4,310
Prepayments and accrued income	4,173	971
	<u>60,208</u>	<u>131,407</u>

14. CREDITORS: Amounts falling due within one year

	2018	2017
	£	£
Bank loans and overdrafts	49	-
Net obligations under hire purchase contracts	421	421
Trade creditors	19,898	7,778
Other taxation and social security	5,852	5,394
Other creditors	282	-
Accruals and deferred income	14,139	9,616
	<u>40,641</u>	<u>23,209</u>

Hire purchase contracts are secured on the assets to which they relate.

Deferred income

Deferred income at 1 April 2017	1,731
Resources deferred during the year	10,005
Amounts released from previous years	(1,731)
Deferred income at 31 March 2018	<u>10,005</u>

Income which has been received during the financial year which relates to after the year end date of 31 March 2018 has been recognised on the balance sheet as deferred income.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

15. CREDITORS: Amounts falling due after more than one year

	2018	2017
	£	£
Net obligations under hire purchase contracts	<u>948</u>	<u>1,369</u>

Obligations under hire purchase contracts, included above, are payable as follows:

	2018	2017
	£	£
Between one and five years	<u>948</u>	<u>1,369</u>

Hire purchase contracts are secured on the assets to which they relate.

16. FINANCIAL INSTRUMENTS

All financial instruments are held at amortised cost.

17. LIMITED BY GUARANTEE

Community Action: MK is a company limited by guarantee. The liability of each member is limited to contributing £10 to the assets of the company in the event of it being wound up, while a member, or within one year after ceasing to be a member.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

18. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 April 2017 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2018 £
Unrestricted funds					
Strategic Development	11,658	-	(11,658)	-	-
Exit Strategy	167,000	-	-	(66,484)	100,516
General funds	(6,515)	25,103	(181,539)	180,744	17,793
	<u>172,143</u>	<u>25,103</u>	<u>(193,197)</u>	<u>114,260</u>	<u>118,309</u>
Restricted funds					
Section 106	169,544	71	(76,401)	(35,869)	57,345
Roof Tariff Funds	435,251	150,000	(82,173)	(63,442)	439,636
MKC Infrastructure Support	33,918	30,036	(30,081)	-	33,873
Peoples Health Trust	76,672	-	(66,623)	-	10,049
Big Local Conniburrow	6,996	21,000	(18,151)	-	9,845
Local People	12,797	32,530	(21,037)	-	24,290
Energage	8,345	-	-	(8,345)	-
Community Action Platform for Energy	(8,376)	20,791	(12,439)	-	(24)
Homelessness Partnership	-	3,000	(355)	(2,645)	-
Capital of Culture	-	4,926	(967)	(3,959)	-
Simpson & Ashland	-	7,986	(5,340)	-	2,646
MK Futures	-	15,000	(12,072)	-	2,928
Governance	-	8,785	(1,917)	-	6,868
MK Smart	-	3,030	(543)	-	2,487
Manage My Money	-	33,169	(21,529)	-	11,640
Pedalling Culture	-	2,095	(737)	-	1,358
MK Mental Health	-	6,500	(50)	-	6,450
VCS Research Project	-	4,639	(4,639)	-	-
WFU	-	13,685	(23,141)	-	(9,456)
	<u>735,147</u>	<u>357,243</u>	<u>(378,195)</u>	<u>(114,260)</u>	<u>599,935</u>
Total of funds	<u>907,290</u>	<u>382,346</u>	<u>(571,392)</u>	<u>-</u>	<u>718,244</u>

COMMUNITY ACTION: MK
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

18. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 April 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2017 £
General funds						
Strategic Development	14,289	-	(2,631)	-	-	11,658
Exit Strategy	187,000	-	-	(20,000)	-	167,000
General funds	164,400	35,803	(197,205)	(14,982)	5,469	(6,515)
	<u>365,689</u>	<u>35,803</u>	<u>(199,836)</u>	<u>(34,982)</u>	<u>5,469</u>	<u>172,143</u>
Restricted funds						
Section 106	-	170,336	(792)	-	-	169,544
Roof Tariff Funds	598,142	-	(159,531)	(3,360)	-	435,251
MKC Infrastructure Support	-	45,833	(61,915)	50,000	-	33,918
Peoples Health Trust	86,386	52,351	(50,407)	(11,658)	-	76,672
Big Local Conniburrow	-	19,250	(12,254)	-	-	6,996
Local People	-	21,480	(8,683)	-	-	12,797
Energage	-	17,316	(8,971)	-	-	8,345
Community Action Platform for Energy	1,541	11,828	(21,745)	-	-	(8,376)
	<u>686,069</u>	<u>338,394</u>	<u>(324,298)</u>	<u>34,982</u>	<u>-</u>	<u>735,147</u>
Total of funds	<u>1,051,758</u>	<u>374,197</u>	<u>(524,134)</u>	<u>-</u>	<u>5,469</u>	<u>907,290</u>

Roof Tariff Funds: To be used against the Business Plan for the VCS tariff allocation (2004), to implement the Community Development Programme within the new expansion areas.

Section 106: Contributions towards the costs of providing community and social infrastructure in areas of new housing development across the existing Milton Keynes.

People's Health Trust: Coordination and administration of the People's Health Trust's Local Conversion project. Providing funding to specific communities associated with addressing local priorities as specified by the funder.

MKC Infrastructure Support: To assist charities and community groups, set up, choose a legal structure, find funding, monitor and evaluate their work, recruit and retain volunteers and connect with the people and opportunities that matter to them.

Local People: Funds to be used to connect with specific local communities and residents, targeted at younger people and health issues via local steering groups.

Community Action Platform for Energy: To engage communities in Milton Keynes CAPE programme by promoting community energy initiatives and ensuring the involvement of communities in the development, testing and monitoring of CAPE platforms/projects.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

18. STATEMENT OF FUNDS (continued)

Big Local Conniburrow: Community Action: MK run a Community Champions programme on behalf of Big Local Conniburrow. This is focussed on supporting local residents develop the skills and experience to support community led action in Conniburrow.

Energage: The Energage project will develop a network of community energy champions (COMECs) in Milton Keynes. Energage will build upon activities of the existing Community Action Platform for Energy (CAPE) project at the Open University.

Homelessness Partnership: We have played an active role in providing secretarial support to the Homelessness Partnership. The group is a partnership between Milton Keynes Council and the voluntary sector and works to address homelessness and its causes.

Capital of Culture: Between May and July 2017, Community Action: MK's team of Development Officers reached out across Milton Keynes to gather input to support MK's application to become the European Capital of Culture host city in 2023. The engagement was based around 4 key questions provided by MK Council's Culture Team, and we connected with a diverse range of people, communities, and groups to ensure a broad range of perspectives were considered.

Simpson and Ashland: In October 2017, Simpson and Ashland Parish Council appointed Community Action: MK to undertake a piece of research to enable Parish Councillors to develop a deeper understanding of the social makeup of Simpson. This research is intended to support Parish Councillors to act with greater confidence in the allocation of resources and invest in the most appropriate services, activities and partnerships for the benefit of the local community.

A number of recommendations have been made to address the challenges in meeting the needs of local residents. Simpson and Ashland Parish Council displayed great leadership in preparing for the services the residents of Simpson will need in future. This research provides a foundation for developing the approach to how this could work, what is fundamental for a successful future is that resident participation must be at the heart of service planning as an ongoing and long-term process.

MK Futures: We worked alongside the MK Futures 2050 Programme team in order to support a diverse range of residents to connect with the six big projects that that will shape MK as we plan for the year 2050. We called for volunteers from a variety of groups, to come and learn more about the projects and represent their communities to ensure a wide range of voices were heard. The response was fantastic and we were thrilled to have interest from such a diverse range of communities. The Connector group was launched in 2017, with the long-term aim of ensuring future plans reflect the needs of all citizens in MK.

Governance: In early 2018, thanks to funding from Milton Keynes Community Foundation, we were able to integrate a more comprehensive level of Governance support to groups. We created an online self-assessment tool based on the new voluntary Charity Code of Governance and began to work with groups to provide specific advice around areas of improvement under the seven key principles of the code.

MK Smart: Community Action: MK supports local citizens to develop their own ideas and innovations as they attempt to make their lifestyles, and those of other more sustainable.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

18. STATEMENT OF FUNDS (continued)

Manage My Money: We worked with the Open University on the exciting new Managing My Money Project, recruiting volunteer Connectors interested in supporting their peers to improve their financial situations. 29 volunteers received training from the Open University around basic financial matters and simple and effective ways to save money or reduce outgoings. We also worked with Connectors to develop their skills in community engagement and support as many people in their communities as possible. Connectors spoke to 137 people, helping them make, often small, changes that could have a big positive impact on their finances and wellbeing.

MK Mental Health: A project mapping services offered by VCS organisations which impact mental health and wellbeing in children and young people in MK.

VCS Research Project: In Autumn 2017, Milton Keynes Community foundation commissioned Community Action: MK to take a snapshot of the size, shape, and nature of the Voluntary Sector in Milton Keynes in order to inform their strategic planning to support the sector. This work connected with 60 groups who took part in focus groups and structured interviews

WFU: The aim is to forge closer working relationships between CA:MK and MKWFU to provide a platform for the future sustainability of both organisations.

SUMMARY OF FUNDS - CURRENT YEAR

	Balance at 1 April 2017 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2018 £
General funds	172,143	25,103	(193,197)	114,260	118,309
Restricted funds	735,147	357,243	(378,195)	(114,260)	599,935
	<u>907,290</u>	<u>382,346</u>	<u>(571,392)</u>	<u>-</u>	<u>718,244</u>

SUMMARY OF FUNDS - PRIOR YEAR

	Balance at 1 April 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2017 £
General funds	365,689	35,803	(199,836)	(34,982)	5,469	172,143
Restricted funds	686,069	338,394	(324,298)	34,982	-	735,147
	<u>1,051,758</u>	<u>374,197</u>	<u>(524,134)</u>	<u>-</u>	<u>5,469</u>	<u>907,290</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
Tangible fixed assets	1,396	-	1,396
Fixed asset investments	43,876	599,935	643,811
Current assets	114,626	-	114,626
Creditors due within one year	(40,641)	-	(40,641)
Creditors due in more than one year	(948)	-	(948)
	<u>118,309</u>	<u>599,935</u>	<u>718,244</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £
Tangible fixed assets	3,678	-	3,678
Fixed asset investments	6,379	735,147	741,526
Current assets	186,664	-	186,664
Creditors due within one year	(23,209)	-	(23,209)
Creditors due in more than one year	(1,369)	-	(1,369)
	<u>172,143</u>	<u>735,147</u>	<u>907,290</u>

20. PENSION COMMITMENTS

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £3,657 (2017: £2,607). At the year end, outstanding contributions amounting to £282 (2017: £nil) are included in other creditors.

21. HIRE PURCHASE AND FINANCE LEASES

Minimum lease payments under hire purchase fall due as follows:

	2018 £	2017 £
Within 1 year	421	421
Between 1-5 years	948	1,369
Total	<u>1,369</u>	<u>1,790</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

22. OPERATING LEASE COMMITMENTS

	2018	2017
	£	£
Not later than 1 year	3,100	4,076
Later than 1 year and not later than 5 years	3,100	6,775
Total	<u>6,200</u>	<u>10,851</u>

23. RELATED PARTY TRANSACTIONS

During the year, the company purchased £2,880 (2017: £nil) of consultancy services from Diversity Marketplace Limited in which one of the trustees (G Yafai) is a director.