

**COMMUNITY ACTION: MK
AND ITS SUBSIDIARY
COMPANY LIMITED BY GUARANTEE
FINANCIAL STATEMENTS
31 MARCH 2016**

Charity Number 1092047

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**COMMUNITY ACTION: MK
COMPANY LIMITED BY GUARANTEE**

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2016

CONTENTS	PAGE
Trustees Annual Report	1
Independent auditor's report to the members	9
Consolidated statement of financial activities (incorporating the income and expenditure account)	11
Consolidated balance sheet	12
Charity balance sheet	13
Consolidated statement of cash flows	14
Notes to the financial statements	15

**COMMUNITY ACTION: MK
COMPANY LIMITED BY GUARANTEE**

TRUSTEES ANNUAL REPORT

YEAR ENDED 31 MARCH 2016

The trustees, who are also directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 March 2016.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered charity name	Community Action: MK
Charity registration number	1092047
Company registration number	04279401
Registered office	Acorn House 351 Midsummer Boulevard Milton Keynes MK9 3HP

The trustees

The trustees who served the charity during the period were as follows:

G Yafai
S Thornton
J Cove (retired 7 October 2015)
F Mercer (retired 7 October 2015)
V Pandya
K Smith (retired 18 October 2015)
S Frossell
R Kitchen (appointed 13 July 2015)
J Marshall (appointed 12 May 2015)
I Revell (appointed 12 May 2015)

Secretary

T Marren

Auditor

Keens Shay Keens MK LLP
Chartered Accountants
& Statutory Auditor
Sovereign Court
230 Upper Fifth Street
Central Milton Keynes
MK9 2HR

Bankers

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

COMMUNITY ACTION: MK COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2016

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The charity is a company limited by guarantee and was incorporated on 31st 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 directors at 31 March 2016 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 are nominated from member organisations. A limited number of additional trustees may also be co-opted onto the Board. Trustees meet six times a year. An executive sub-committee, comprising the chair, vice chair and treasurer meets 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.

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 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. 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.

Pay Policy for Key Management Personnel

The directors consider that the board of directors, and the Chief Executive comprise the key management personnel of the charity in charge of directing, controlling, running and operating the charity on a day to day basis. All directors give their time freely and no director received remuneration or expenses during the year.

COMMUNITY ACTION: MK COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2016

The pay of senior staff is reviewed annually and normally increased in accordance with average earnings. In view of the nature of the charity, the directors benchmark against pay levels in other similar organisations.

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 voluntary and community 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.

Vision

We believe in a society where people are active and engaged in their community. We believe that a good society cannot exist without a healthy, thriving Voluntary and Community Sector.

Mission

A vibrant Voluntary and Community Sector deserves a strong voice and the best support. Community Action: MK aims to be that support and voice, championing the principles of community development in all that we do.

Aims and Outcomes

Strategic Aims	As a result of our activities by 2018 Community Action: MK will	As a result of our activities by 2018 the local VCS:
Identifying community needs and facilitating appropriate services	<ul style="list-style-type: none"> • Have a clear & robust position on matters such as VCS support needs, its potential contribution to society, community development & Sustainable communities 	<ul style="list-style-type: none"> • Is better informed about community needs and reflects this in providing activities and services • Involves individuals, groups and statutory organisations in identifying needs and creating solutions
Supporting voluntary and community groups to be the best they can be	<ul style="list-style-type: none"> • Be providing a range of practical support services (including volunteering) to meet the needs of the local VCS so that they are as effective as possible 	<ul style="list-style-type: none"> • Will have an increased knowledge of what they need to be the best they can be • Will have an increased knowledge of the services that Community Action: MK offers plus other available support

**COMMUNITY ACTION: MK
COMPANY LIMITED BY GUARANTEE**

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2016

<p>Facilitating communications and networking amongst local groups</p>	<ul style="list-style-type: none"> • Have increased knowledge and understanding of what works in the co-production of services and activities 	<ul style="list-style-type: none"> • Meets and communicates better in order to identify where collaborative working can support groups to be the best they can be • Makes better use of resources by sharing good practice, knowledge, skills, experience, equipment and premises where appropriate
<p>Enabling effective working relationships between the sector and external organisations</p>	<ul style="list-style-type: none"> • Have a range of collaborative working arrangements with organisations where our complementary approaches achieve additional impact 	<ul style="list-style-type: none"> • Has access to appropriate information and support so it can develop its own views on key issues and actively engage in consultations and effective working relationships • Benefits from working agreements, protocols, and, or, compacts with statutory and other outside bodies
<p>Integrating the sector into local planning and policy making</p>	<ul style="list-style-type: none"> • Be recognized and respected as an advocate for community involvement at all levels of decision making • Have been approached by partners in the statutory and business sectors and asked to be 'the voice' of the sector. We will have successfully argued that we cannot ever be wholly accountable or representative but that a significant benefit of working with us is the potential it offers to engage a wider range of stakeholders in debates and decision making 	<ul style="list-style-type: none"> • Has the knowledge, skills and support to be more involved in local planning and policy making • Provides effective representation from a wide range of VCOs for planning and policy making groups

**COMMUNITY ACTION: MK
COMPANY LIMITED BY GUARANTEE**

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2016

<p>Having a good reputation and high profile to achieve greater involvement of the community</p>	<ul style="list-style-type: none"> • Have continued to grow our reputation which provides business benefits e.g. opportunity for consultancy, involvement in research projects etc. This in turn enables us to speak with greater authority locally and to a wider audience • Be recognized locally and nationally as a leading organisation for developing grass roots organisations 	<ul style="list-style-type: none"> • Have access to high quality, relevant, targeted information and support in which they can have confidence
<p>Growing and improving our organization based on good practice</p>	<ul style="list-style-type: none"> • Have undertaken fee earning work locally and elsewhere to generate unrestricted income to support delivery of our charitable objectives and further our activities 	<ul style="list-style-type: none"> • Continue to have access to a range of information and support the majority of which is free at the point of delivery

PUBLIC BENEFIT

Community Action: MK has a number of work strands/commitments that address the need of Public Benefit, including:

Being the central support agency to the local Voluntary and Community Sector in Milton Keynes, providing essential information, advice and training to those organisations.

Providing a substantial Community Development programme, working primarily in the low income areas of Milton Keynes on key issues such as health inequalities, community engagement, community safety and environmental issues.

Working strategically to enable the VCS to become more co-ordinated and have a "voice" on key strategic programmes being advanced in Milton Keynes, including Health and Wellbeing, Safer MK, Safeguarding and other significant issues.

The 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.

COMMUNITY ACTION: MK COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2016

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. We provide opportunities for these 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 the Volunteer Centre for Milton Keynes. Through our Volunteer Centre we work with local charities and community groups to help them recruit volunteers for their organisations. We also work with members of the public giving them information, advice and guidance on volunteering opportunities and helping them choose the right role, we also offer 1:1 appointments and run a weekly drop-in session.

Over the year we have supported Milton Keynes Council in the delivery of their MK50 initiative, Community and Cultural Services Review (CCSR), MK Futures Commission as well as helping them to establish a new Community Car Scheme. We also continue to expand our work programme with the Open University in developing innovative projects such as the MK SMART project and Community Action Platform for Energy (CAPE) initiative.

On local strategic working Community Action: MK have established a new MK VCS Leaders Network of over 20 senior VCS managers who are working to develop the profile and strategic impact of the local sector. Additionally we continue to maintain and expand our Employee Volunteering programme, working with the local private sector - supporting over 30 teams and nearly 500 employees to support over 30 local charities.

Over the year we were audited by National Association of Voluntary and Community Action (NAVCA) who assessed our strategic direction, policies, procedures and service delivery of Community Action: MK. Community Action: MK were rated highly scoring between 3 to 4, with four being the highest score against key audit criteria. Identifying our performance at "good/excellent".

Additionally two Social Return On Investment (SROI) reports were completed on our core Infrastructure Services and our Community Development work - both report identified the significant value for money and impact Community Action: MK provide.

Over the year we have:

- Supported the over 450 community members to volunteer;
- Completed over 300 activities involving community groups;
- Signposted over 500 people to relevant services;
- In the new expansion areas of Milton Keynes ensured over 3,000 people attended community events and supported over 200 volunteering opportunities;
- Supported 150 VCS organisations to recruit over 1,000 volunteers;
- Registered over 600 volunteers;
- Supported over 150 VCS organisations.

FINANCIAL REVIEW

Total income for the year amounted to £656,784 which is a net increase of £95 on 2015 (2015 £656,689).

COMMUNITY ACTION: MK COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2016

Total expenditure for the year amounted to £696,105, a decrease of £158,622 over 2015 (2015 £854,727). By far the largest cost of the charity continues to be its staff and in 2016 the number of staff decreased from 24 to 20. The annual transfer to MK Community Foundation in respect of the Roof Tariff VCS grants programme was £41,589 in 2016 compared to £27,826 in 2015, reflecting the number of house completions this year. However the payment was not made by 31 March 2016, and will therefore fall into 2016-17.

As a result the charity showed an overall deficit of £80,324 for the year (2015 deficit £139,675). The deficit on unrestricted funds was £111,293 (2015 deficit £8,136) primarily as a result of the planned investment in the CIC. Restricted funds showed a surplus of £30,969 (2015 deficit £131,539) – although there is continuing spend on the Roof Tariff fund, a new People's Health Trust project generated net incoming resources of £86,386.

Reserves policy

The charity's restricted reserves at 31 March 2016 stand at £686,069 (2015 £655,099), of which £598,143 (2015 £651,430) represents monies unspent on the roof tariff programme, while unrestricted reserves amount to £365,689 (2015 £476,982).

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 2016 this reserve stands at £14,289 (2015 £19,729).

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 £187,000 (2015 £227,000) 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 £164,400 (2015 £230,253), 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 investments generated a loss of £29,276 in 2016 (2015 surplus of £70,349) with investment management fees of £12,971 (2015 £12,576).

During the year, the investments disposed of resulted in net realised losses of £5,700 (2015 £10,733), while the investments at the end of the year generated net unrealised revaluation losses over the year of £42,638 (2015 gains of £77,794).

PLANS FOR FUTURE PERIODS

We will continue to work within our agreed Strategic Framework and 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.

**COMMUNITY ACTION: MK
COMPANY LIMITED BY GUARANTEE**

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2016

TRUSTEES' RESPONSIBILITIES STATEMENT

The trustees (who are also the directors of Community Action: Mk for the purposes of company law) are responsible for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 charity and the income and expenditure of the charity 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 in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITOR

Keens Shay Keens MK LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as each trustee is aware, there is no relevant audit information of which the charity's auditor is unaware; and
- each trustee has taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Registered office:
Acorn House
351 Midsummer Boulevard
Milton Keynes
MK9 3HP

Signed by order of the trustees



T Marren
Charity Secretary

27 July 2016

**COMMUNITY ACTION: MK
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
COMMUNITY ACTION: MK**

YEAR ENDED 31 MARCH 2016

We have audited the financial statements of Community Action: MK for the year ended 31 March 2016 which comprise the Consolidated Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR

As explained more fully in the Trustees Annual Report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of 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 charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the group's and charitable company's affairs as at 31 March 2016 and of its incoming resources and application of resources, including its income and expenditure, for 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 Trustees Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**COMMUNITY ACTION: MK
COMPANY LIMITED BY GUARANTEE**

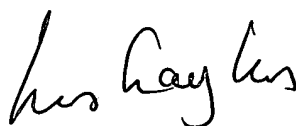
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
COMMUNITY ACTION: MK (continued)**

YEAR ENDED 31 MARCH 2016

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:

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



S J Gill FCCA (Senior Statutory Auditor)

For and on behalf of
KEENS SHAY KEENS MK LLP
Chartered accountant & statutory auditor

30/08/2016

Sovereign Court
230 Upper Fifth Street
Central Milton Keynes
MK9 2HR

**COMMUNITY ACTION: MK
COMPANY LIMITED BY GUARANTEE**

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

YEAR ENDED 31 MARCH 2016

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £	Total Funds 2015 £
INCOME:					
Donations and legacies	2	-	129,066	129,066	7,890
Charitable activities	5	-	60,000	60,000	121,567
Other trading activities	3	455,548	-	455,548	514,883
Investment income	4	12,170	-	12,170	12,349
TOTAL INCOME		<u>467,718</u>	<u>189,066</u>	<u>656,784</u>	<u>656,689</u>
EXPENDITURE:					
Charitable activities	6/7/8	(558,357)	(124,711)	(683,068)	(842,001)
Other	9	(13,037)	-	(13,037)	(12,726)
TOTAL EXPENDITURE		<u>(571,394)</u>	<u>(124,711)</u>	<u>(696,105)</u>	<u>(854,727)</u>
Realised gains/(losses) on investments		(5,700)	-	(5,700)	(10,733)
Unrealised gains/(losses) on investments		(35,303)	-	(35,303)	69,096
NET INCOME/(EXPENDITURE)		<u>(144,679)</u>	<u>64,355</u>	<u>(80,324)</u>	<u>(139,675)</u>
Transfer between funds	11	33,386	(33,386)	-	-
NET MOVEMENT IN FUNDS	10	<u>(111,293)</u>	<u>30,969</u>	<u>(80,324)</u>	<u>(139,675)</u>
RECONCILIATION OF FUNDS:					
Total funds brought forward		<u>476,982</u>	<u>655,099</u>	<u>1,132,081</u>	<u>1,271,756</u>
TOTAL FUNDS CARRIED FORWARD		<u>365,689</u>	<u>686,068</u>	<u>1,051,757</u>	<u>1,132,081</u>

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared.

All of the above amounts relate to continuing activities.

The notes on pages 15 to 24 form part of these financial statements.

**COMMUNITY ACTION: MK
COMPANY LIMITED BY GUARANTEE**

CONSOLIDATED BALANCE SHEET

31 MARCH 2016

		2016		2015
	Note	£	£	£
FIXED ASSETS				
Tangible assets	13		5,670	14,480
Investments	14		<u>736,155</u>	<u>889,410</u>
			741,825	903,890
 CURRENT ASSETS				
Debtors	15	91,055		103,762
Cash at bank and in hand		<u>287,236</u>		<u>208,763</u>
		378,291		312,525
CREDITORS: Amounts falling due within one year	16	<u>(68,358)</u>		<u>(84,334)</u>
 NET CURRENT ASSETS			309,933	228,191
 TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,051,758</u>	<u>1,132,081</u>
NET ASSETS			<u>1,051,758</u>	<u>1,132,081</u>
 FUNDS				
Restricted income funds	18		686,069	655,099
Unrestricted income funds	19		<u>365,689</u>	<u>476,982</u>
TOTAL FUNDS			<u>1,051,758</u>	<u>1,132,081</u>

These financial statements were approved by the Board of Trustees and authorised for issue on the 27 July 2016 and are signed on their behalf by:



S Thornton

Director

The notes on pages 15 to 24 form part of these financial statements.

**COMMUNITY ACTION: MK
COMPANY LIMITED BY GUARANTEE**

BALANCE SHEET

31 MARCH 2016

	Note	2016 £	£	2015 £
FIXED ASSETS				
Tangible assets	13		5,670	14,480
Investments	14		<u>736,155</u>	<u>889,410</u>
			741,825	903,890
CURRENT ASSETS				
Debtors	15	123,914		150,567
Cash at bank and in hand		<u>225,814</u>		<u>113,906</u>
		349,728		264,473
CREDITORS: Amounts falling due within one year	16	<u>(39,795)</u>		<u>(36,282)</u>
NET CURRENT ASSETS			309,933	228,191
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,051,758</u>	<u>1,132,081</u>
NET ASSETS			<u>1,051,758</u>	<u>1,132,081</u>
FUNDS				
Restricted income funds	18		686,069	655,099
Unrestricted income funds	19		<u>365,689</u>	<u>476,982</u>
TOTAL FUNDS			<u>1,051,758</u>	<u>1,132,081</u>

These financial statements were approved by the Board of Trustees and authorised for issue on the 27 July 2016 and are signed on their behalf by:

S Thornton

Director



Company Registration Number: 04279401

The notes on pages 15 to 24 form part of these financial statements.

**COMMUNITY ACTION: MK
COMPANY LIMITED BY GUARANTEE**

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 MARCH 2016

	Note	2016 £	£	2015 £
CASHFLOWS FROM OPERATING ACTIVITIES	22		(42,695)	(199,796)
CASHFLOWS FROM INVESTMENTING ACTIVITIES				
Income from other fixed asset investments		11,727		11,986
Interest received		<u>443</u>		<u>363</u>
Net cash inflow from returns on investments and servicing of finance			12,170	12,349
CASHFLOWS FROM FINANCING ACTIVITIES				
Payments to acquire tangible fixed assets		(1,620)		(7,074)
Receipts from sale of fixed assets		2		(1)
Acquisition of other investments		(167,433)		(450,349)
Disposal of other investments		<u>278,050</u>		<u>546,082</u>
Net cash (outflow)/inflow from capital expenditure			108,999	88,658
INCREASE/(DECREASE) IN CASH	23		<u>78,474</u>	<u>(98,789)</u>

The notes on pages 15 to 24 form part of these financial statements.

**COMMUNITY ACTION: MK
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2016

1. ACCOUNTING POLICIES

Basis of accounting

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 (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

No restatement was required.

Donations & fund accounting

Donations received for the general purposes of the charity are included as unrestricted funds. Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

Restricted funds represent income granted for specific purposes as required by the donor. Expenditure for those purposes is charged to the fund.

Income and grants

All income is included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Voluntary income received by way of grants and donations is included in full in the statement of financial activities when receivable.

Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

Income from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.

Investment income

Investment income is accounted for when received.

**COMMUNITY ACTION: MK
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2016

1. ACCOUNTING POLICIES (continued)

Expenditure

Expenditure is accounted for on an accruals basis.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

Fixed assets

All fixed assets are initially recorded at cost.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Depreciation

Depreciation is calculated to write off the cost or revaluation of an asset, less its estimated residual value, over the useful economic life of that asset as follows :

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

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £	Total Funds 2015 £
Grants receivable				
Unrestricted funding	-	-	-	7,046
Roof Tariff Funds	-	3,262	3,262	844
People's Health Trust	-	119,435	119,435	-
Community Action Platform for Energy	-	6,369	6,369	-
	<u>-</u>	<u>129,066</u>	<u>129,066</u>	<u>7,890</u>

3. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted Funds £	Total Funds 2016 £	Total Funds 2015 £
Other activities for generating funds	<u>455,548</u>	<u>455,548</u>	<u>514,883</u>

**COMMUNITY ACTION: MK
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2016

4. INVESTMENT INCOME

	Unrestricted Funds £	Total Funds 2016 £	Total Funds 2015 £
Bank interest receivable	443	443	363
Investment dividend income	11,727	11,727	11,986
	<u>12,170</u>	<u>12,170</u>	<u>12,349</u>

5. INCOME FROM CHARITABLE ACTIVITIES

	Restricted Funds £	Total Funds 2016 £	Total Funds 2015 £
MKC - Infrastructure Support	60,000	60,000	121,567

6. EXPENDITURE ON CHARITABLE ACTIVITIES BY FUND TYPE

	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £	Total Funds 2015 £
Outgoing resources (note 7)	461,207	122,457	583,664	704,976
Support costs (note 7)	91,344	2,254	93,598	130,804
Governance costs (note 8)	5,806	-	5,806	6,221
	<u>558,357</u>	<u>124,711</u>	<u>683,068</u>	<u>842,001</u>

7. EXPENDITURE ON CHARITABLE ACTIVITIES BY ACTIVITY TYPE

	Other charitable activity £	Support costs £	Total Funds 2016 £	Total Funds 2015 £
Rent, rates and service charges	-	44,745	45,161	46,838
Legal and professional	-	24,463	24,463	32,809
Communication and IT	-	12,519	12,519	14,338
Training	-	2,210	2,210	6,358
Office repairs and maintenance	-	8,803	8,803	11,064
Other Expenses	-	858	442	19,397
Other CIC expenses	11,673	-	11,673	15,201
Outgoing resources	571,991	-	571,991	689,775
	<u>583,664</u>	<u>93,598</u>	<u>677,262</u>	<u>835,780</u>

8. GOVERNANCE COSTS

	Unrestricted Funds £	Total Funds 2016 £	Total Funds 2015 £
AGM and trustee meetings	1,056	1,056	1,221
Audit fees	4,750	4,750	5,000
	<u>5,806</u>	<u>5,806</u>	<u>6,221</u>

**COMMUNITY ACTION: MK
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2016

9. OTHER EXPENDITURE

	Unrestricted Funds £	Total Funds 2016 £	Total Funds 2015 £
Losses on disposal of tangible fixed assets for charity's own use	66	66	150
Investment management fees	<u>12,971</u>	<u>12,971</u>	<u>12,576</u>
	<u><u>13,037</u></u>	<u><u>13,037</u></u>	<u><u>12,726</u></u>

10. NET EXPENDITURE FOR THE YEAR

This is stated after charging:

	2016 £	2015 £
Staff pension contributions	4,503	5,330
Auditors' remuneration: - audit of the financial statements (charity)	<u>2,550</u>	<u>2,650</u>

11. FUND TRANSFERS

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.

12. STAFF COSTS AND EMOLUMENTS

Total staff costs were as follows:

Charity	2016 £	2015 £
Wages and salaries	219,536	238,269
Social security costs	42,525	45,094
Other pension costs	4,503	5,330
	<u>266,564</u>	<u>288,693</u>

Group	2016 £	2015 £
Wages and salaries	506,261	519,470
Social security costs	42,525	45,094
Other pension costs	4,503	5,530
	<u>553,289</u>	<u>569,894</u>

Particulars of employees:

The average number of employees during the year was as follows:

	2016 No	2015 No
Number of administrative staff	19	22
Number of management staff	<u>1</u>	<u>2</u>
	<u><u>20</u></u>	<u><u>24</u></u>

**COMMUNITY ACTION: MK
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2016

12. STAFF COSTS AND EMOLUMENTS (continued)

No employee received remuneration of more than £60,000 during the year (2015 - Nil).

The key management personnel of the charity comprises the Chief Executive. The total employee benefits of the key management personnel were £63,180 (2015: £40,192).

There were no trustees remuneration or benefits for the year ended 31 March 2016 (2015: Nil).

No trustees expenses were paid for the year ended 31 March 2016 (2015: none).

13. TANGIBLE FIXED ASSETS (GROUP AND CHARITY)

	Equipment improvements £	Leasehold improvements £	Total £
COST			
At 1 April 2015	65,263	26,178	91,441
Additions	1,620	-	1,620
Disposals	<u>(2,992)</u>	-	<u>(2,992)</u>
At 31 March 2016	<u>63,891</u>	<u>26,178</u>	<u>90,069</u>
DEPRECIATION			
At 1 April 2015	57,051	19,910	76,961
Charge for the year	6,147	4,216	10,363
On disposals	<u>(2,925)</u>	-	<u>(2,925)</u>
At 31 March 2016	<u>60,273</u>	<u>24,126</u>	<u>84,399</u>
NET BOOK VALUE			
At 31 March 2016	<u>3,618</u>	<u>2,052</u>	<u>5,670</u>
At 31 March 2015	<u>8,212</u>	<u>6,268</u>	<u>14,480</u>

14. INVESTMENTS (GROUP AND CHARITY)

Movement in market value

	2016 £	2015 £
Market value at 1 April 2015	889,410	907,349
Acquisitions at cost	167,433	450,349
Disposals at opening book value	<u>(278,050)</u>	<u>(546,082)</u>
Net gains on revaluations in the year ended 31 March 2016	<u>(42,638)</u>	<u>77,794</u>
Market value at 31 March 2016	<u>736,155</u>	<u>889,410</u>
Historical cost at 31 March 2016	<u>701,474</u>	<u>784,308</u>

**COMMUNITY ACTION: MK
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2016

14. INVESTMENTS (continued)

Analysis of investments at 31 March 2016 between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £	Total Funds 2015 £
Other investments				
Other UK Investments	<u>337,196</u>	<u>398,959</u>	<u>736,155</u>	<u>889,410</u>

Community Action: MK has a 100% interest in Community Action Development Services CIC, a company limited by guarantee, in which the charity is the sole member. A summary of the results of Community Action Development Services CIC can be found in note 25.

15. DEBTORS

Charity:	2016	2015
	£	£
Trade debtors	4,114	24,495
Amounts owed by group undertakings	103,147	123,621
Other debtors	16,114	1,191
Prepayments	539	1,260
	<u>123,914</u>	<u>150,567</u>
 Group:	 2016	 2015
	£	£
Trade debtors	67,882	95,549
Other debtors	22,634	6,953
Prepayments	539	1,260
	<u>91,055</u>	<u>103,762</u>

16. CREDITORS: Amounts falling due within one year

Charity:	2016	2015
	£	£
Trade creditors	4,448	14,503
Taxation and social security	17,830	10,941
Other creditors	1,753	1,831
Accruals	15,764	9,007
	<u>39,795</u>	<u>36,282</u>
 Group:	 2016	 2015
	£	£
Trade creditors	10,055	19,733
Taxation and social security	30,734	32,975
Other creditors	7,673	22,620
Accruals	19,896	9,006
	<u>68,358</u>	<u>84,334</u>

**COMMUNITY ACTION: MK
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2016

17. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2016 the total future minimum lease payments under non-cancellable operating leases are as follows:

	Assets other than Land and buildings	
	2016	2015
	£	£
Operating leases which expire:		
Within 2 to 5 years	9,646	12,402

18. RESTRICTED INCOME FUNDS

	Balance at 1 Apr 2015	Incoming resources	Outgoing resources	Transfers	Balance at 31 Mar 2016
	£	£	£	£	£
Roof Tariff Funds	651,430	3,262	(53,189)	(3,360)	598,143
MKC Infrastructure Support	-	60,000	(46,818)	(13,182)	-
People's Health Trust	-	119,435	(16,205)	(16,844)	86,386
Community Action Platform for Energy	-	6,369	(4,829)	-	1,540
Lifestyles Guides	2,405	-	(2,405)	-	-
Lifestyle Guide Projects	1,264	-	(1,264)	-	-
	655,099	189,066	(124,710)	(33,386)	686,069

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.

MKC Infrastructure Support

To provide essential sustainability and developmental support to charitable, voluntary and community organisations/groups in Milton Keynes. Including governance, technical, financial, legal, organisational and funding support.

Lifestyle Guides

To support the training needs of volunteers engaged in the Lifestyle Guide Project.

Lifestyle Guides Projects

To support projects identified from community groups as a result of the Lifestyle Guides programme.

People's Health Trust

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

**COMMUNITY ACTION: MK
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2016

18. UNRESTRICTED INCOME FUNDS (continued)

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.

19. UNRESTRICTED INCOME FUNDS

Charity:

	Balance at 1 Apr 2015 £	Incoming resources £	Outgoing resources £	Transfers £	Balance at 31 Mar 2016 £
Strategic Development	19,729	-	(5,440)	-	14,289
Exit Strategy	227,000	-	-	(40,000)	187,000
General Funds	230,253	426,016	(565,255)	73,386	164,400
	<u>476,982</u>	<u>426,016</u>	<u>(570,695)</u>	<u>33,386</u>	<u>365,689</u>

Group:

	Balance at 1 Apr 2015 £	Incoming resources £	Outgoing resources £	Transfers £	Balance at 31 Mar 2016 £
Strategic Development	19,729	-	(5,440)	-	14,289
Exit Strategy	227,000	-	-	(40,000)	187,000
General Funds	230,253	467,718	(606,957)	73,386	164,400
	<u>476,982</u>	<u>467,718</u>	<u>(612,397)</u>	<u>33,386</u>	<u>365,689</u>

The designated funds represent funds held to be expended in the future on strategic development strategies, and a separate exit contingency reserve.

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible fixed assets £	Investments £	Net current assets £	Total £
Restricted Income Funds:				
Restricted Funds	-	398,959	287,110	686,069
Unrestricted Income Funds:				
Designated Funds	2,631	185,604	13,053	201,288
General Funds	3,040	151,592	9,769	164,401
	<u>5,671</u>	<u>337,196</u>	<u>22,822</u>	<u>365,689</u>
Total Funds	<u>5,671</u>	<u>736,155</u>	<u>309,932</u>	<u>1,051,758</u>

**COMMUNITY ACTION: MK
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2016

21. COMPANY 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.

22. RECONCILIATION OF NET OUTGOING RESOURCES BEFORE TRANSFERS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2016	2015
	£	£
Net outgoing resources before transfers	(80,324)	(139,675)
Income from investments	(11,727)	(11,986)
Interest receivable	(443)	(363)
Revaluation of investments	42,638	(77,794)
Loss on disposal of fixed assets	66	150
Depreciation	10,363	11,017
Decrease in debtors	25,103	46,187
Decrease in creditors	(28,371)	(27,332)
Net cash outflow from operating activities	<u>(42,695)</u>	<u>(199,796)</u>

23. RECONCILIATION OF NET CASH FLOW MOVEMENT TO MOVEMENT IN NET FUNDS

	2016	2015
	£	£
Increase/(decrease) in cash in the period	<u>78,474</u>	<u>(98,789)</u>
Change in net funds	78,484	(98,789)
Net funds at 1 Apr 2015	<u>208,763</u>	<u>307,552</u>
Net funds at 31 Mar 2016	<u>287,237</u>	<u>208,763</u>

24. ANALYSIS OF CHANGES IN NET FUNDS

	1 Apr 15	Cash flows	31 Mar 16
	£	£	£
Cash in hand and at bank	<u>208,763</u>	<u>78,474</u>	<u>287,237</u>

**COMMUNITY ACTION: MK
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2016

25. RESULTS OF SUBSIDIARY

		Year to 31 Mar 16		Year to 31 Mar 15
	£	£	£	£
TURNOVER		461,176		514,883
COST OF SALES				
Direct costs		(11,271)		(10,629)
GROSS PROFIT		<u>449,905</u>		<u>504,254</u>
ADMINISTRATIVE EXPENSES				
Personnel costs				
Re-charged payroll costs	(286,725)		(317,470)	
Agency staff costs	-		(335)	
		<u>(286,725)</u>		<u>(317,805)</u>
Establishment expenses				
Re-charged overhead costs		(4,933)		-
Insurance		-		(973)
General expenses				
Travel and subsistence	(1,416)		(1,648)	
Telephone	(2,164)		(3,668)	
Hire of equipment	(1,450)		(2,500)	
Equipment repairs and renewals	(3,524)		(5,221)	
Printing, stationery and postage	(457)		(8)	
Staff training	(10)		(1,858)	
Sundry expenses	(15)		(126)	
Donations	(122,932)		(148,539)	
Subscriptions	(35)		(35)	
Advertising	(3,749)		(5,544)	
Legal and professional fees	(16,724)		(11,594)	
Accountancy fees	(3,500)		(2,400)	
Auditors remuneration	(2,200)		(2,250)	
		<u>(158,176)</u>		<u>(185,391)</u>
Financial costs				
Bank charges		(71)		(85)
PROFIT ON ORDINARY ACTIVITIES		<u>-</u>		<u>-</u>