

COMPANY REGISTRATION NUMBER: 04279401  
CHARITY REGISTRATION NUMBER: 1092047

**COMMUNITY ACTION: MK  
AND ITS SUBSIDIARY**  
**Company Limited by Guarantee**  
**FINANCIAL STATEMENTS**  
**31 MARCH 2017**



**COMMUNITY ACTION: MK**  
**COMPANY LIMITED BY GUARANTEE**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2017**

	<b>Page</b>
Trustees' annual report (incorporating the director's report)	<b>1</b>
Independent auditor's report to the members	<b>8</b>
Consolidated statement of financial activities (including income and expenditure account)	<b>10</b>
Consolidated statement of financial position	<b>11</b>
Charity statement of financial position	<b>12</b>
Consolidated statement of cash flows	<b>13</b>
Notes to the financial statements	<b>14</b>

**COMMUNITY ACTION: MK**  
**COMPANY LIMITED BY GUARANTEE**  
**TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT)**

**YEAR ENDED 31 MARCH 2017**

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 March 2017.

**Reference and administrative details**

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

**The trustees**

G Yafai  
S Thornton  
R Kitchen  
J Marshall  
V Pandya (Resigned 31 October 2016)  
S Frossell (Resigned 31 October 2016)  
I Revell (Resigned 31 October 2016)  
L Lovell (Appointed 5 October 2016)  
S Ewedemi (Appointed 4 October 2016)  
J-A Dawes (Appointed 13 March 2017)  
D Webber (Appointed 28 April 2017)

**Company secretary** C Walton

**Auditor** Keens Shay Keens MK LLP  
Chartered accountant & 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 (INCORPORATING THE DIRECTOR'S REPORT) *(continued)*

YEAR ENDED 31 MARCH 2017

#### 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 2017 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 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.

## **COMMUNITY ACTION: MK**

### **COMPANY LIMITED BY GUARANTEE**

#### **TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT) *(continued)***

**YEAR ENDED 31 MARCH 2017**

#### **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.

#### **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.

#### **STRATEGIC REPORT**

The following sections for achievements and performance and financial review form the strategic report of the charity.

## **COMMUNITY ACTION: MK**

### **COMPANY LIMITED BY GUARANTEE**

#### **TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT) *(continued)***

**YEAR ENDED 31 MARCH 2017**

#### **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 Service 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 MK2050 initiative, MK Futures Commission as well as continuing to work on the Community Car Scheme. We also continue to work with the Open University on projects such as MK SMART and Community Action Platform for Energy (CAPE). Community Action: MK has continued to work with the 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, we have worked with the local private sector - supporting over 30 teams and nearly 500 employees to support over 30 local charities.

Over the year we have:

- Supported over 300 activities involving community groups;
- 130 people attended Volunteer Centre Drop In;
- 600 volunteer enquiries on the CA:MK website;
- 300 volunteer opportunities promoted.

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

**TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT) *(continued)***

**YEAR ENDED 31 MARCH 2017**

**Financial review (charity and its subsidiary)**

Total incoming resources for the year amounted to £541,465 which is a net decrease of £115,319 on 2016.

Total outgoing resources for the year amounted to £691,827, a decrease of £4,278 on 2016. By far the largest cost of the charity continues to be its staff and in 2017 the number of staff decreased from 20 to 17.

As a result the charity showed an overall deficit of £144,893 for the year (2016 £80,324). The deficit on unrestricted funds was £193,171 (2016 £111,293), and the surplus on restricted funds was £49,078 (2016 surplus £30,969).

**Reserves policy**

The charity's restricted reserves at 31 March 2017 stand at £735,147 (2016 £686,069), of which £435,251 (2016 £598,142) represents monies unspent on the roof tariff programme, while unrestricted reserves amount to £171,718 (2016 £365,689).

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 2017 this reserve stands at £11,658 (2016 £14,289).

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 £167,000 (2016 £187,000) 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 a deficit of 6,938 (2015 £164,401), and the charity is addressing this deficit through its current work, and building an action plan into its 5 year strategic plan to build up unrestricted funds as soon as possible.'

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. Investment management fees were incurred in the year of £10,864 (2016 £12,971).

During the year, the investments disposed of resulted in realised net gains of £5,469 (2016 losses of £5,700). The total investment return generated was £10,957 (2016 £12,170).

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

**TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT) *(continued)***

**YEAR ENDED 31 MARCH 2017**

**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.

**TRUSTEES' RESPONSIBILITIES STATEMENT**

The trustees, who are also directors 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 charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, 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 applicable 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 charity will continue in business.

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.



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

**TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT) *(continued)***

**YEAR ENDED 31 MARCH 2017**

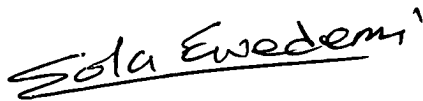
**AUDITOR**

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

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have 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.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

The trustees' annual report and the strategic report were approved on .....21/03/17..... and signed on behalf of the board of trustees by:



S Ewedemi

Trustee



S Thornton

Trustee

**COMMUNITY ACTION: MK**  
**COMPANY LIMITED BY GUARANTEE**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**  
**COMMUNITY ACTION: MK**  
**YEAR ENDED 31 MARCH 2017**

We have audited the financial statements of Community Action: MK and its subsidiary for the year ended 31 March 2017 which comprise the consolidated statement of financial activities (including income and expenditure account), the group and parent company statements of financial position, the consolidated statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members 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' responsibilities statement, the trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the 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' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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

**YEAR ENDED 31 MARCH 2017**

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group and parent charitable company's affairs as at 31 March 2017 and of the group's 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' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

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

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

  
SIMON J GILL FCCA  
(Senior Statutory Auditor)  
For and on behalf of  
KEENS SHAY KEENS MK LLP  
Chartered Accountants  
& Statutory Auditor

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

18/12/2017

**COMMUNITY ACTION: MK**  
**COMPANY LIMITED BY GUARANTEE**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**(INCLUDING INCOME AND EXPENDITURE ACCOUNT)**

**31 MARCH 2017**

		2017		2016
	Note	Unrestricted funds £	Restricted funds £	Total funds £
				Total funds £
<b>Income and endowments</b>				
Donations, grants and legacies	5	24,846	338,394	363,240
Charitable activities	6	-	-	60,000
Other trading activities		167,268	-	167,268
Investment income	7	10,957	-	10,957
<b>Total income</b>		<u>203,071</u>	<u>338,394</u>	<u>541,465</u>
<b>Expenditure</b>				
Expenditure on charitable activities	8,9	356,692	324,298	680,990
Other expenditure	10	10,837	-	10,837
<b>Total expenditure</b>		<u>367,529</u>	<u>324,298</u>	<u>691,827</u>
Net gains/(losses) on investments	11	5,469	-	5,469
<b>Net expenditure</b>		<u>(158,989)</u>	<u>14,096</u>	<u>(144,893)</u>
Transfers between funds		(34,982)	34,982	-
<b>Net movement in funds</b>		<u>(193,971)</u>	<u>49,078</u>	<u>(144,893)</u>
<b>Reconciliation of funds</b>				
Total funds brought forward		365,689	686,069	1,051,758
<b>Total funds carried forward</b>		<u>171,718</u>	<u>735,147</u>	<u>906,865</u>

The statement of financial activities includes all gains and losses recognised in the year.  
All income and expenditure derive from continuing activities.

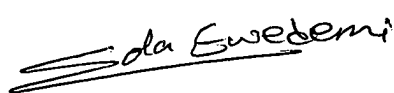
The notes on pages 14 to 26 form part of these financial statements.

**COMMUNITY ACTION: MK**  
**COMPANY LIMITED BY GUARANTEE**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**31 MARCH 2017**

		2017		2016
		£	£	£
<b>FIXED ASSETS</b>				
Tangible fixed assets	16		3,678	5,670
Investments	17		<u>741,526</u>	<u>736,155</u>
			<b>745,204</b>	741,825
 <b>CURRENT ASSETS</b>				
Debtors	18	37,046		91,055
Cash at bank and in hand		<u>168,022</u>		<u>287,236</u>
		<b>205,068</b>		378,291
 <b>CREDITORS: amounts falling due within one year</b>	19	<u>42,038</u>		<u>68,358</u>
<b>NET CURRENT ASSETS</b>			<b>163,030</b>	<u>309,933</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>908,234</b>	1,051,758
 <b>CREDITORS: amounts falling due after more than one year</b>	20		<u>1,369</u>	-
<b>NET ASSETS</b>			<u><b>906,865</b></u>	<u>1,051,758</u>
 <b>FUNDS OF THE CHARITY</b>				
Restricted funds			<b>735,147</b>	686,069
Unrestricted funds			<u>171,718</u>	<u>365,689</u>
<b>Total charity funds</b>	23		<u><b>906,865</b></u>	<u>1,051,758</u>

These financial statements were approved by the board of trustees and authorised for issue on 2/10/17, and are signed on behalf of the board by:



S Ewedemi  
Director/Trustee



S Thornton  
Director/Trustee

Company Registration Number: 04279401

The notes on pages 14 to 26 form part of these financial statements.

**COMMUNITY ACTION: MK**  
**COMPANY LIMITED BY GUARANTEE**  
**CHARITY STATEMENT OF FINANCIAL POSITION**

**31 MARCH 2017**

		2017		2016
		£	£	£
<b>FIXED ASSETS</b>				
Tangible fixed assets	16		3,678	5,670
Investments	17		<u>741,526</u>	<u>736,155</u>
			<b>745,204</b>	741,825
<b>CURRENT ASSETS</b>				
Debtors	18	131,407		123,914
Cash at bank and in hand		<u>55,257</u>		<u>225,814</u>
		<b>186,664</b>		349,728
<b>CREDITORS: amounts falling due within one year</b>	<b>19</b>	<u>23,209</u>		<u>39,795</u>
<b>NET CURRENT ASSETS</b>			<b>163,455</b>	<u>309,933</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>908,659</b>	1,051,758
<b>CREDITORS: amounts falling due after more than one year</b>	<b>20</b>		<u>1,369</u>	-
<b>NET ASSETS</b>			<u><b>907,290</b></u>	<u>1,051,758</u>
<b>FUNDS OF THE CHARITY</b>				
Restricted funds			<u>735,147</u>	686,069
Unrestricted funds			<u>172,143</u>	<u>365,689</u>
<b>Total charity funds</b>	<b>23</b>		<u><b>907,290</b></u>	<u>1,051,758</u>

These financial statements were approved by the board of trustees and authorised for issue on 31.03.17 and are signed on behalf of the board by:

*Sda Ewedemi*

S Ewedemi  
Director/Trustee

S Thornton  
Director/Trustee

*Sheila Thornton*

Company Registration Number: 04279401

The notes on pages 14 to 26 form part of these financial statements.

**COMMUNITY ACTION: MK**  
**COMPANY LIMITED BY GUARANTEE**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**YEAR ENDED 31 MARCH 2017**

	2017	2016
	£	£
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net expenditure	(148,235)	(80,324)
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	5,298	10,363
Net (gains)/losses on investments	(5,469)	41,003
Other interest receivable and similar income	(10,957)	(12,170)
Interest payable and similar charges	777	-
Loss on disposal of tangible fixed assets	-	66
Accrued (income)/expenses	(5,901)	12,526
<i>Changes in:</i>		
Trade and other debtors	(12,029)	25,103
Trade and other creditors	54,009	(39,263)
Cash generated from operations	(122,507)	(42,696)
Interest paid and other similar charges	(777)	-
Investment income received	10,957	12,170
Net cash (used in)/from operating activities	<u>(112,327)</u>	<u>(30,526)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of tangible assets	(3,306)	(1,620)
Proceeds from sale of tangible assets	-	2
Purchases of other investments	(5,371)	(167,433)
Proceeds from sale of other investments	-	278,050
Net cash used in investing activities	<u>(8,677)</u>	<u>108,999</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments of finance lease liabilities	1,790	-
Net cash from financing activities	<u>1,790</u>	<u>-</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(119,214)</b>	<b>78,473</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>287,236</b>	<b>208,763</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b><u>168,022</u></b>	<b><u>287,236</u></b>

The notes on pages 14 to 26 form part of these financial statements.

**COMMUNITY ACTION: MK**  
**COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2017**

**1. GENERAL INFORMATION**

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

**2. STATEMENT OF COMPLIANCE**

These consolidated financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Charities Act 2011.

**3. ACCOUNTING POLICIES**

**Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

**Going concern**

The accounts have been prepared on a going concern basis. The Staff and Trustees of Community Action: MK will be developing a new Five Year Plan and developing an associated business plan in the late 2017. The Trustees are of the view that on the basis of these plans the charity is a going concern.

**Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:



**COMMUNITY ACTION: MK**  
**COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**YEAR ENDED 31 MARCH 2017**

**3. ACCOUNTING POLICIES (continued)**

**Fund accounting**

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

**Incoming resources**

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

**Resources expended**

Resources expended are 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.

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**YEAR ENDED 31 MARCH 2017**

**3. ACCOUNTING POLICIES (continued)**

**Tangible assets**

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

**Depreciation**

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

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

**Investments**

Unlisted equity investments are initially recorded at cost, and subsequently measured at fair value. If fair value cannot be reliably measured, assets are measured at cost less impairment.

Listed investments are measured at fair value with changes in fair value being recognised in income or expenditure.

**Impairment of fixed assets**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

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

**NOTES TO THE FINANCIAL STATEMENTS *(continued)***

**YEAR ENDED 31 MARCH 2017**

**3. ACCOUNTING POLICIES *(continued)***

**Impairment of fixed assets *(continued)***

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

**Financial instruments**

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Where investments in shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

**Defined contribution plans**

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

## COMMUNITY ACTION: MK

### COMPANY LIMITED BY GUARANTEE

#### NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2017

#### 4. 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.

#### 5. DONATIONS, GRANTS AND LEGACIES

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
<b>GRANTS</b>			
Unrestricted funding	24,846	-	24,846
Roof Tariff Funds	-	-	-
People's Health Trust	-	52,351	52,351
Community Action Platform for Energy	-	11,828	11,828
Local People	-	21,480	21,480
Section 106	-	170,336	170,336
MKC Infrastructure Support	-	45,833	45,833
Big Local Conniburrow	-	19,250	19,250
Energie	-	17,316	17,316
	24,846	338,394	363,240
	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £
<b>GRANTS</b>			
Roof Tariff Funds	-	3,262	3,262
People's Health Trust	-	119,435	119,435
Community Action Platform for Energy	-	6,369	6,369
	-	129,066	129,066

#### 6. CHARITABLE ACTIVITIES

	Restricted Funds £	Total Funds 2017 £	Restricted Funds £	Total Funds 2016 £
MKC – Infrastructure Support	-	-	60,000	60,000

#### 7. INVESTMENT INCOME

	Unrestricted Funds £	Total Funds 2017 £	Unrestricted Funds £	Total Funds 2016 £
Bank interest receivable	218	218	443	443
Investment dividend income	10,739	10,739	11,727	11,727
	10,957	10,957	12,170	12,170

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**YEAR ENDED 31 MARCH 2017**

**8. EXPENDITURE ON CHARITABLE ACTIVITIES BY FUND TYPE**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
Outgoing resources	258,709	322,510	581,219
Support costs	97,983	1,788	99,771
	<u>356,692</u>	<u>324,298</u>	<u>680,990</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £
Outgoing resources	461,207	122,457	583,664
Support costs	97,150	2,254	99,404
	<u>558,357</u>	<u>124,711</u>	<u>683,068</u>

**9. EXPENDITURE ON CHARITABLE ACTIVITIES BY ACTIVITY TYPE**

	Charitable activities £	Support costs £	Total funds 2017 £	Total fund 2016 £
Rent, rates and service charges	-	36,705	36,705	45,161
Legal and professional	-	21,807	21,807	24,463
Communication and IT	-	21,906	21,906	12,519
Training	-	3,016	3,016	2,210
Office repairs and maintenance	-	10,350	10,350	8,803
Other expenses	-	69	69	442
Other CIC expenses	2,416	-	2,416	11,673
Outgoing resources and salaries	578,803	-	578,803	571,991
Governance costs	-	5,918	5,918	5,806
	<u>581,219</u>	<u>99,771</u>	<u>680,990</u>	<u>683,068</u>

**Governance costs:**

	Unrestricted Funds £	Total Funds 2017 £	Unrestricted Funds £	Total Funds 2016 £
AGM and trustee meetings	940	940	1,056	1,056
Audit fees	4,978	4,978	4,750	4,750
	<u>5,918</u>	<u>5,918</u>	<u>5,806</u>	<u>5,806</u>

## COMMUNITY ACTION: MK

### COMPANY LIMITED BY GUARANTEE

#### NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2017

#### 10. OTHER EXPENDITURE

	Unrestricted Funds £	Total Funds 2017 £	Unrestricted Funds £	Total Funds 2016 £
Loss on disposal of tangible fixed assets held for charity's own use	-	-	66	66
Investment management fees	<u>10,837</u>	<u>10,837</u>	<u>12,971</u>	<u>12,971</u>
	<u>10,837</u>	<u>10,837</u>	<u>13,037</u>	<u>13,037</u>

#### 11. NET GAINS/(LOSSES) ON INVESTMENTS

	Unrestricted Funds £	Total Funds 2017 £	Unrestricted Funds £	Total Funds 2016 £
Gains/(losses) on listed investments	<u>5,469</u>	<u>5,469</u>	<u>(41,003)</u>	<u>(41,003)</u>

#### 12. NET EXPENDITURE

Net expenditure is stated after charging/(crediting):

	2017 £	2016 £
Depreciation of tangible fixed assets	5,298	10,363
Auditor's remuneration (charity)	2,660	2,550
Loss on disposal of tangible fixed assets	-	66
	<u>          </u>	<u>          </u>

#### 13. STAFF COSTS

The total staff costs and employee benefits for the reporting period are analysed as follows:

##### Group:

	2017 £	2016 £
Wages and salaries	352,562	506,261
Social security costs	28,675	42,525
Employer contributions to pension plans	2,607	4,503
	<u>383,844</u>	<u>553,289</u>

##### Charity:

	2017 £	2016 £
Wages and salaries	236,462	219,536
Social security costs	28,675	42,525
Employer contributions to pension plans	2,607	4,503
	<u>267,744</u>	<u>266,564</u>

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**YEAR ENDED 31 MARCH 2017**

**13. STAFF COSTS (continued)**

The average head count of employees during the year was 17 (2016: 20). The average number of full-time equivalent employees during the year is analysed as follows:

	<b>2017</b>	2016
	<b>No.</b>	No.
Administrative staff	<b>16</b>	19
Management staff	<b>1</b>	1
	<u><b>17</b></u>	<u>20</u>

The number of employees whose remuneration for the year fell within the following bands, were:

	<b>2017</b>	2016
	<b>No.</b>	No.
£60,000 to £69,999	<u>-</u>	<u>-</u>

**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 £78,856 (2016: £63,180).

**14. TRUSTEE REMUNERATION AND EXPENSES**

There were no trustees remuneration or benefits for the year ended 31 March 2017 (2016: Nil).

No trustees expenses were paid for the year ended 31 March 2017 (2016: none).

**15. 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.

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**YEAR ENDED 31 MARCH 2017**

**16. TANGIBLE FIXED ASSETS (GROUP AND CHARITY)**

	Leasehold improve- ments £	Equipment £	Total £
<b>Cost</b>			
At 1 April 2016	26,178	65,763	91,941
Additions	-	3,306	3,306
<b>At 31 March 2017</b>	<u>26,178</u>	<u>69,069</u>	<u>95,247</u>
<b>Depreciation</b>			
At 1 April 2016	24,126	62,145	86,271
Charge for the year	2,052	3,246	5,298
<b>At 31 March 2017</b>	<u>26,178</u>	<u>65,391</u>	<u>91,569</u>
<b>Carrying amount</b>			
<b>At 31 March 2017</b>	<u>-</u>	<u>3,678</u>	<u>3,678</u>
At 31 March 2016	<u>2,052</u>	<u>3,618</u>	<u>5,670</u>

**17. INVESTMENTS (GROUP AND CHARITY)**

	Other investments £
<b>Cost or valuation</b>	
At 1 April 2016	736,155
Additions	293,596
Disposals at opening book value	(276,075)
Realised, unrealised gains and other movements	(12,150)
<b>At 31 March 2017</b>	<u>741,526</u>
<b>Impairment</b>	
<b>At 1 April 2016 and 31 March 2017</b>	<u>-</u>
<b>Carrying amount</b>	
<b>At 31 March 2017</b>	<u>741,526</u>
At 31 March 2016	<u>736,155</u>

All investments shown above are held at valuation.

Community Action: MK has a 100% interest in Community Action Development Services CIC, a company limited by guarantee. The results of the subsidiary are consolidated within these accounts.



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

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**YEAR ENDED 31 MARCH 2017**

**18. DEBTORS**

**Group:**

	2017	2016
	£	£
Trade debtors	31,765	67,882
Prepayments and accrued income	971	539
Other debtors	4,310	22,634
	<u>37,046</u>	<u>91,055</u>

**Charity:**

	2017	2016
	£	£
Trade debtors	8,127	4,114
Amounts owed by group undertakings	117,999	103,147
Prepayments and accrued income	971	539
Other debtors	4,310	16,114
	<u>131,407</u>	<u>123,914</u>

**19. CREDITORS: amounts falling due within one year**

**Group:**

	2017	2016
	£	£
Trade creditors	9,262	10,055
Accruals and deferred income	10,230	19,896
Social security and other taxes	5,394	30,734
Obligations under finance leases and hire purchase contracts	421	-
Other creditors	16,731	7,673
	<u>42,038</u>	<u>68,358</u>

**Charity:**

	2017	2016
	£	£
Trade creditors	7,778	4,445
Accruals and deferred income	7,885	15,767
Social security and other taxes	5,394	17,830
Obligations under finance leases and hire purchase contracts	421	-
Other creditors	1,731	1,753
	<u>23,209</u>	<u>39,795</u>

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**YEAR ENDED 31 MARCH 2017**

**20. CREDITORS: amounts falling due after more than one year (Group and Charity)**

	2017	2016
	£	£
Obligations under finance leases and hire purchase contracts	<u>1,369</u>	<u>–</u>

**21. FINANCE LEASES AND HIRE PURCHASE CONTRACTS**

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	2017	2016
	£	£
Not later than 1 year	421	–
Later than 1 year and not later than 5 years	<u>1,369</u>	<u>–</u>
	<u>1,790</u>	<u>–</u>

**22. PENSIONS AND OTHER POST RETIREMENT BENEFITS**

**Defined contribution plans**

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £2,607 (2016: £4,503).

**23. ANALYSIS OF CHARITABLE FUNDS**

**Unrestricted funds (Group):**

	At 1 April 2016	Income	Expend- iture	Transfers	Gains and losses	At 31 March 2017
	£	£	£	£	£	£
General funds	164,400	203,071	(364,898)	(14,982)	5,469	(6,940)
Strategic						
Development	14,289	–	(2,631)	–	–	11,658
Exit Strategy	187,000	–	–	(20,000)	–	167,000
	<u>365,689</u>	<u>203,071</u>	<u>(367,529)</u>	<u>(34,982)</u>	<u>5,469</u>	<u>171,718</u>

**Unrestricted funds (Charity):**

	At 1 April 2016	Income	Expend- iture	Transfers	Gains and losses	At 31 March 2017
	£	£	£	£	£	£
General funds	164,400	35,803	(197,205)	(14,982)	5,469	(6,515)
Strategic						
Development	14,289	–	(2,631)	–	–	11,658
Exit Strategy	167,000	–	–	(20,000)	–	167,000
	<u>365,689</u>	<u>35,803</u>	<u>(199,836)</u>	<u>(34,982)</u>	<u>5,469</u>	<u>172,143</u>

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**YEAR ENDED 31 MARCH 2017**

**23. ANALYSIS OF CHARITABLE FUNDS (continued)**

**Restricted funds (Group and Charity):**

	At 1 April 2016 £	Income £	Expend- iture £	Transfers £	Gains and losses £	At 31 March 2017 £
Roof Tariff	598,142	-	(159,531)	(3,360)	-	435,251
People's Health Trust	86,386	52,351	(50,407)	(11,658)	-	76,672
Section 106	-	170,336	(792)	-	-	169,544
Big Local Conniburrow MKC	-	19,250	(12,254)	-	-	6,996
Infrastructure Support	-	45,833	(61,915)	50,000	-	33,918
Energage	-	17,316	(8,971)	-	-	8,345
Local People Action Platform for Energy	-	21,480	(8,683)	-	-	12,797
	<u>1,541</u>	<u>11,828</u>	<u>(21,745)</u>	<u>-</u>	<u>-</u>	<u>(8,376)</u>
	<u>686,069</u>	<u>338,394</u>	<u>(324,298)</u>	<u>34,982</u>	<u>-</u>	<u>735,147</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.

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**YEAR ENDED 31 MARCH 2017**

**24. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

**Group:**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total Funds 2017 £</b>
Tangible fixed assets	3,678	-	3,678
Investments	174,401	567,125	741,526
Current assets	37,046	168,022	205,068
Creditors less than 1 year	(42,038)	-	(42,038)
Creditors greater than 1 year	(1,369)	-	(1,369)
<b>Net assets</b>	<u>171,718</u>	<u>735,147</u>	<u>906,865</u>

**Charity:**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total Funds 2017 £</b>
Tangible fixed assets	3,678	-	3,678
Investments	6,379	735,147	741,526
Current assets	186,664	-	186,664
Creditors less than 1 year	(23,209)	-	(23,209)
Creditors greater than 1 year	(1,369)	-	(1,369)
<b>Net assets</b>	<u>172,143</u>	<u>735,147</u>	<u>907,290</u>

**25. OPERATING LEASE COMMITMENTS (GROUP AND CHARITY)**

The total future minimum lease payments under non-cancellable operating leases are as follows:

	<b>2017 £</b>	<b>2016 £</b>
Not later than 1 year	<b>4,076</b>	38,826
Later than 1 year and not later than 5 years	<b>6,775</b>	10,851
	<u><b>10,851</b></u>	<u>49,677</u>

**26. RELATED PARTIES**

During the year, the company entered into the following transactions with related parties:

**Diversity Marketplace Ltd**

A company in which one of the trustees, G Yafai is a director.

	<b>2017 £</b>
Consultancy services	<b>2,880</b>