

**COMMUNITY ACTION : MK  
(FORMERLY MILTON KEYNES COUNCIL OF VOLUNTARY ORGANISATIONS)  
COMPANY LIMITED BY GUARANTEE  
FINANCIAL STATEMENTS  
31 MARCH 2011**

Charity Number 1092047

TUESDAY



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**COMMUNITY ACTION : MK  
(FORMERLY MILTON KEYNES COUNCIL OF VOLUNTARY ORGANISATIONS)  
COMPANY LIMITED BY GUARANTEE**

**FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2011**

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

**TRUSTEES ANNUAL REPORT**

**YEAR ENDED 31 MARCH 2011**

The trustees, who are also directors for the purposes of company law, have pleasure in presenting their report and the financial statements of the charity for the year ended 31 March 2011

**REFERENCE AND ADMINISTRATIVE DETAILS**

<b>Registered charity name</b>	Community Action MK (Formerly Milton Keynes Council Of Voluntary Organisations)
<b>Charity registration number</b>	1092047
<b>Company registration number</b>	4279401
<b>Registered office</b>	Acorn House 351 Midsummer Boulevard Milton Keynes MK9 3HP

**THE TRUSTEES**

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

G Roberts (Chair)  
J Kelly  
A Francome  
I Revell  
K Caldbeck  
B Serginson  
G Anderson  
A Armes  
J Cove  
F Mercer  
A Grout  
J Marshall  
V Pandya  
K Smith  
D Tunney

K Smith was appointed as a trustee on 25 November 2010

J Kelly retired as a trustee on 25 November 2010

I Revell retired as a trustee on 25 November 2010

<b>Secretary</b>	R Stone
<b>Auditor</b>	Keens Shay Keens MK Chartered Accountants & Statutory Auditor Sovereign Court 230 Upper Fifth Street Central Milton Keynes MK9 2HR
<b>Bankers</b>	Natwest Bank Plc Milton Keynes

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TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2011

**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 charity changed its name from Milton Keynes Council of Voluntary Organisations to Community Action MK on 25 January 2011.

**Recruitment and Appointment of Management Committee**

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. The trustees meet eight times a year in addition to subcommittee meetings.

**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. They also continue to review the controls in place to control risk. A system has been set in place whereby the Board of trustees will review the management of risk every year. The trustees continue to keep under review their systems of internal financial control. The systems have been designed to provide reasonable, but not absolute assurance against material misstatement or loss. They include:

- A strategic plan and annual budget approved by the trustees
- Regular consideration by the trustees of financial results, variance from budgets and performance against the non-financial annual plan
- Delegation of authority and separation of duties

The internal financial controls conform to guidelines issued by the Charity Commission.

**OBJECTIVES AND ACTIVITIES**

The charity'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 (hereinafter called the "area of benefit") and, in particular, build the capacity of third sector organisations and provide them with the necessary support, information and services to enable them to pursue or contribute to any charitable purpose
- To promote, organise and facilitate co-operation and partnership working between third sector, statutory and other relevant bodies in the achievement of the above purposes within the area of benefit

**COMMUNITY ACTION : MK  
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**TRUSTEES ANNUAL REPORT** *(continued)*

**YEAR ENDED 31 MARCH 2011**

**How our activities deliver public benefit**

The Trustees have paid due regard to the guidance issued by the Charity Commission on the subject of public benefit and consider that Community Action MK's activities, aims and strategies are for the public benefit as is set out in more detail below

**ACHIEVEMENTS AND PERFORMANCE**

Continuing our work towards our objectives laid out within our 5 year Strategic Plan now, in its final year, this financial year has seen significant changes both politically and within our organisation. With the change in Government there came a change in focus for us as a sector, the 'Big Society' has provided us with many opportunities and challenges. This year we gained the NAVCA Quality Award. The NAVCA Quality Award goes to local voluntary sector support and development organisations which meet NAVCA's performance standards. The five standards are outcomes focused and address the difference local support and development organisations make through the delivery of their services.

**Understanding the VCS**

We know a great deal about our local Voluntary and Community Sector and this information has been crucial in identifying and targeting our support,

We know that Milton Keynes has a vibrant voluntary and community sector with a wide range and high proportion of small and micro organisations. Of 1187 groups on our data base we have financial information on 416 of them which demonstrates

- 120 (29%) have an income under £1000
- 140 (33%) are between £1001 and £10,000
- 96 (23%) are between £10,001 and £100,000
- 46 (11%) are between £100,001 and £1 million
- 14 (3%) over £1 million

There are large variations in the geographic spread of voluntary and community groups across the Milton Keynes area

- The MK average is 1 group per 200 head of population
- In affluent and well established areas of MK that number is 1 group per 100 population
- In areas of multiple deprivation that changes to 1 group per 400 population

We know from the 2009 National Survey of Charities and Social Enterprise that Milton Keynes has a higher per capita number of employees working in the sector (per 1,000 people) of 20.1 compared to 12.69 nationally. This information however is based on registered charities rather than the broader voluntary sector.

Evidence of group needs, collected via organisational health checks, feedback from events and analysis of enquires demonstrates that key concerns remain as

- Funding and non-financial support for projects
- Ability to plan in uncertain environments
- Getting new members / increasing exposure
- Premises (finding them and keeping them)

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TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2011

This year saw our change in name which, through consultation with our members, has provided a greater clarity for the wider public in terms of what our organisation focuses on. The year has also seen us re-develop our office space to support a greater level of collaboration and interdependence across the staff teams. This is reflected in the significant developments in the delivery of our core functions.

**Development**

We were thrilled that this year was a watershed for many of our partner organisations as they enthusiastically adopted a shared approach to community engagement. This approach works directly within communities supporting them to articulate their ideas, issues and interests, whatever they may be, in a way that is inclusive of others.

- This was the final year of the Children's Fund programme which has been the major resource for the Community Mobiliser service and our means of supporting the growth and sustainability of the VCS in areas requiring more direct support. We held discussions with partners at MKC and with Parish and Town Councils and we were able to mainstream the service as part of the delivery structure for the Regeneration agenda for 2011/12. This has meant a much more collaborative service, meeting shared outcomes across partners and follows the work last year on 'Community Workforce'. Activity on the ground continued at pace, increasing our support in all areas on previous years. In the 10 areas across MK, the Community Mobilisers supported members of the communities to deliver 2,002 different activities, with over 36,800 attendances with volunteers providing almost 9,500 hours of support. During the year we have been working to more clearly communicate the value of the service and in December we wrote a paper entitled 'Investing in Social Capital' which, again built on discussions with cross sector partners the previous year regarding the 'Community Workforce'. The paper has since been used to support induction training of Community Health Workers in Tasmania alongside our YouTube videos.
- Over the last year, Community Mobilisers have been recording their dialogue with communities - this was due to the significant levels of conversations they were having with individuals. We felt it was important to understand not only the level of conversation we were having, but also what it was that was being discussed - this way we felt we would be able to more effectively gauge what issues, interests and ideas people were having across communities and across Milton Keynes throughout different times of the year. What we quickly learnt was that we were having over 1,200 conversations every month! Over the course of the year we have been working with a design company to develop a technological solution to the issue of collating and analysing all this data. We will be implementing this in the coming year and will be working with partners to determine how best to utilise the data.

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**TRUSTEES ANNUAL REPORT *(continued)***

**YEAR ENDED 31 MARCH 2011**

**Development (continued)**

- The Community Development Network organised an event at UCMK, "Continuing Professional Development", 45 members attended and discussed progression routes and opportunities for learning, both formal and informal within the Community Work field. The points raised were used to feed into the steering group responsible for the Foundation Degree in Sustainable Communities. We were also able to use the feedback to develop a research project funded through Progress South Central which explored the potential in delivering a Level 3 programme in community development. Through the course of the year we organized a series of 'Through the Keyhole' events - a programme of visits to different organisations working across Milton Keynes, that provides opportunities for members to share understanding and best practice.
- Our work on the tariff programme continues with a range of activities to engage the voluntary sector in the growth of our city. The tariff programme has provided direct support to groups such as the Mission Partnership and Girlguiding Buckinghamshire who are keen to target the EEA for their work. The Mission Partnership has secured funding to employ a worker for the area and we have supported this process by providing information and analysis of the area. Similarly Girlguiding Buckinghamshire have made the strategic decision to proactively engage residents in the area after attending a Community Development Network event in 2009 which focussed on Community Engagement in new areas and the importance of Community Space. We have so far supported by providing information, statistics, area profiling and site visits to the group. We have reported to MKP Committee and produced a film to reflect the perspectives of residents living in the area. The film was very upbeat but contained some challenging content for some. It is stored with Living Archive and the City Discovery Centre for posterity. The film was also a trigger for some training which featured editing and storyboarding skills. Community space continues to be an issue in the Eastern Expansion Area and we have been proactively involved in supporting residents to feed into the planning process for the pavilion. We have conducted a piece of research into the Community Space needs of the area and we have interviewed residents, facility providers, facilitated a workshop about community space and a study trip to various community hubs to inform this work. We continue to work closely with the MK Community Foundation regarding the Community Reserve Sites.

**Support**

This year has seen us sharpen our focus on our asset building approach, supporting people from where they are at, in order to build capacity to enable long term sustainability of their activity and so developing social capital within communities.

- The Outreach MK partnership project completed its 3 year funded programme and 400 group engagements took place this year, Community Action MK carried out 285 of these. Through the project we put on 4 networking events with 251 people attending, from 175 groups. We also ran a series of 11 training workshops developed through feedback of support requests from visited groups, with 111 people attending including volunteers, trustees and project workers.

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**TRUSTEES ANNUAL REPORT *(continued)***

**YEAR ENDED 31 MARCH 2011**

**Support (continued)**

- The funding advice service has 420 subscribers to the monthly funding alert 63 groups received direct 1:1 support from the funding advice worker. Over the course of the year we ran a number of focus groups to review the service and whether it was meeting expectations and providing an appropriate level of support. From this, changes have been made to the layout and content of the funding alert, developing a spotlights programme and adapting how we promote services. We have run 2 Reaching Communities workshops to support applicants from MK whilst we also support a specific workshop that considered funding for Sports groups.
- This year saw the start of the Legal Clinic in partnership with SNR Denton. They have provided direct support to 6 groups to March 2011 and were also nominated for the National 2011 Law Works pro bono awards - 'Partnership in Pro Bono' to which they reached the final 4.
- The trustee network continued alongside the Volunteer Centre MK. 24 people attended a workshop on sustainable marketing, and 13 different organizations attended a session on 'Trustee Influence - empowering your organization'.

**Liaison and Networking**

We are proud of our growing reputation as facilitators of lively, creative, productive networking opportunities that attract a diverse and ever-growing band of supporters.

- The Community Involvement Programme ran eight walking tours in new areas of the city which attracted 82 people, Growth Gossip continued to be published fortnightly to a circulation of over 500 people and a Growth Facebook has 403 friends. We offered a voice of the Voluntary sector on a number of growth issues, such as responses to the Milton Keynes Core Strategy and the plans for Salden Chase as well as providing specific information for the sector. We have also been involved in advocating for there to be appropriate processes for the distribution of Section 106 monies to the sector.
- The Community Development Network arranged several trips to Woodhill Prison, with the aim of identifying how the voluntary and community sector could offer support to the prison. Following this, we provided direct support to groups, from an initial 39 organisations attending a presentation at Stadium MK, to more targeted meetings with specific groups expressing they would like to work together in developing their ideas. Our role was to facilitate the meetings and support the emergence of a group of interested organizations who have now since progressed and are developing proposals.



**COMMUNITY ACTION : MK  
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**TRUSTEES ANNUAL REPORT** *(continued)*

**YEAR ENDED 31 MARCH 2011**

**Representation**

We were delighted that our investment in building cross sector relationship bore fruit with the involvement of a diverse range of groups, organisations and agencies in the development of the Commissioning Framework

- During the year there was a focus on implementing the Third Sector Review recommendations particularly around the development of a Commissioning Strategy. The work was led by colleagues from MKC and the Joint Commissioning unit, with a number of meetings and discussions attended by representatives of the voluntary sector particularly through meetings of MKCLIP. This work was carried out in parallel with the development of a Procurement Strategy and review of procurement rules and regulations. There was also work undertaken to raise awareness amongst voluntary sector organisations to raise awareness of the opportunity to influence councillors thinking through the Overview and Scrutiny process alongside direct representation on council committees and partnerships.
- By the end of the calendar year it became clear that the impact of the financial settlement for local government would be challenging for the local voluntary and community sector. Community Action MK, held meetings to support organisations directly affected as well as brokering roundtable discussions with staff at MK Council.

**Strategic Partnership**

We have been pleased to note a marked increase in the engagement of a more diverse range of groups in strategic partnership work

- Once more the year was dominated by our work with MKCLIP, the partnership of voluntary sector umbrella bodies and network forums for which Community Action MK is the accountable body. As funding from Capacity Builders to support the running of MKCLIP came to an end in March 2011, Community Action MK undertook a review of the effectiveness of the partnership in order that members could take an informed decision about its future role and direction.
- As part of our work with MKCLIP we undertook the coordination of the Diversity Equality Partnership in order to support the development of a programme of work under the Umbrella grants scheme. In addition Community Action MK was actively involved with the Officers Group of the Economy and Learning Partnership, the Learning and Skills Board and the Higher Education Strategic Board, The Health and Well Being Partnership, the Community Safety Partnership, the Universal Service project Group and a range of locality based interagency groups.
- Following the merger of MK Council for Voluntary Youth Services with Community Action MK early in 2010, there was a development of our strategic work around the agenda for Children and Young Peoples services which began with the development of the Wednesday Network, a themed approach for voluntary and community groups involved with delivering services and activities for children and young people.

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**TRUSTEES ANNUAL REPORT** *(continued)*

**YEAR ENDED 31 MARCH 2011**

**Strategic Partnership (continued)**

- Following the development of the Economic Task Group and our representation within it, we developed an action plan to support communities through the initial period. Part of the action plan was resourced last year with support provided to MK Citizens Advice Bureau to increase scale and support to individuals, there was also a grant made to the MK Community Foundation to provide specific support to VCS groups experiencing short term sustainability issues through the recession. In the next stage of the plan we were able to secure resources for two further projects delivered through MAD and the Volunteer Centre MK regarding support to young people and employees facing redundancy. In total the amount of resources provided to the VCS to directly support the community was in excess of £350,000.

**FINANCIAL REVIEW**

Total incoming resources for the year amounted to £1,266,732, an increase of £601,259 over 2010. While the majority of this increase, £550,000, represents the receipt of two additional tranches of Roof Tariff Funds, the charity was also successful in obtaining funding for a number of new restricted funds projects, particularly "Have Your Say" which is to coordinate a fund for equalities work across VCS providers and "Lifestyle Guides" which was to manage an interim period of a NHS-led programme for community health promotion. The Community Mobiliser programme received funding from Milton Keynes Council and various parish and town councils which, together with contributions to costs from participants, generated income of £334,654 (2010 £326,280). This was also the final year of the Capacity Builders Modernisation programme, which generated income of £111,170 (2010 £107,545). Finally, the charity's core funding by Milton Keynes Council amounted to £95,471 (2010 £95,021).

Total outgoing resources for the year amounted to £808,467, an increase of £61,030 over 2010. By far the largest cost of the charity is its staff, and this increase reflects a slightly higher overall staffing requirement in order to properly fulfill its restricted project responsibilities.

As a result the charity showed an overall surplus of £458,265 for the year (2010 deficit of £81,964), although of this surplus only £30,953 (2010 £38,080) represents a surplus on unrestricted funds - the balance of £427,312 (2010 deficit of £120,044) is carried forward to spend on specific restricted funds projects in future years.

**Reserves policy**

The charity's restricted reserves as at 31 March 2011 stand at £1,218,016 (2010 £790,704), of which £1,178,041 (2010 £731,480) represents monies unspent on the roof tariff programme, while unrestricted reserves amount to £447,312 (2010 £416,359).

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TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2011

**Reserves policy (continued)**

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

Unrestricted reserves include two designated reserves. The strategic development reserve was set up in 2009, and is expected to be drawn down against over the next few years, as assets acquired are depreciated and other suitable opportunities arise. This reserve now stands at £140,532 (2010 £149,600)

In view of the current uncertainties throughout the third sector as a whole regarding future funding availability, a separate designated exit contingency reserve of £136,300 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 £170,480 (2010 £266,759), and are held to provide the charity with sufficient working capital to enable it to meet its day-to-day requirements.

**Investment Policy**

Under its constitution, the charity has the power to make any investment that the trustees see fit. At present, surplus funds are invested in interest bearing bank accounts and funds are moved between accounts so as to maximise interest earned. Bank interest received during the year amounted to £9,235 (2010 £894).

In view of the low interest rates currently on offer by the banks, an investment portfolio has been developed with Standard Life Wealth, and became effective in early April 2011. The aim is to produce a higher level of return than that enjoyed over the last two years, combined with a low risk of significant capital loss. The charity has developed and agreed a 'Statement of Investment Principles', which were used as the brief for establishing our portfolio.

**PLANS FOR FUTURE PERIODS**

The strategic direction and vision set out within the 5 year plan still hold true for the coming year, however, in light of the changing political context and the economic conditions we work within, we have had to adapt our services to ensure we are fit for purpose and continue to support the Voluntary and Community Sector to flourish. This year we have started to develop a separate company which will be launched in the new year which will enable the Charity to concentrate solely on delivering its charitable objectives with the Company providing a level of income to support that delivery. In these economically challenging times, Charities often find themselves the victim of 'mission creep' where contracts are pursued that move you away from your core business - our new structure will ensure that this doesn't happen for Community Action MK.

Underpinning themes of communication and business development ensure the delivery of our aspirations. Throughout this, we will remain responsive to external factors and will regularly test the robustness of our plan against the changing climate of the economic recession in particular.

**COMMUNITY ACTION : MK  
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**TRUSTEES ANNUAL REPORT *(continued)***

**YEAR ENDED 31 MARCH 2011**

**PLANS FOR FUTURE PERIODS *(continued)***

The strategic direction for Community Action MK to 2012 is summarised as follows

- **Development Community Action** MK is committed to supporting the sustainable development of organisations in the local voluntary and community sector. By 2012, Community Action MK will be a lead organisation for developing community organisations. Fully committed to the belief of supporting individuals into collective action we will have a more effective, coordinated community development sector across MK. Volunteers and staff working in the sector will work towards jointly agreed principles and approaches. MK will have a joined-up network of locality based workers across its boundaries, taking into account regeneration, expansion and rural areas. We will advocate for community involvement at all levels of decision making affecting their quality of life.
- **Support Community Action** MK is committed to providing support which will underpin the functioning and develop the capacity of local voluntary and community groups. All areas of Community Action MK's information service will continue to be well managed and demonstrate greater variety and diversity than at present.
- **Participation and Representation Community Action** MK is committed to developing and maintaining links across the voluntary and community, statutory and private sectors and promotes the ability for all sectors to network with each other. We aim to enable the diverse views of the local voluntary and community sector to be represented to local statutory bodies and others regarding policy development and, where appropriate, to be a conduit for representation.
- **Strategic Partnership Community Action** MK views involvement in any strategic partnership as a means to ensure involvement and a strong voice from voluntary and community groups or to effectively achieve our own strategic aims. On occasions Community Action MK will be approached by other partners, particularly in the statutory sector and asked to be 'the voice' of the voluntary and community sector. We will argue that we cannot ever be wholly accountable or representative but that a significant benefit of working in partnership is the potential it offers to involve a wider range of stakeholders into the debates and decisions. An important part of our approach will be to make sure that we have clear objectives for the extent and rationale for Community Action MK's involvement in any strategic partnership.
- **Communication** Promoting the voluntary and community sector and building Community Action MK's reputation go hand in hand. Community Action MK's reputation will continue to be built on the effectiveness of our dialogue with the frontline VCS and what we do with the information we hold on the sector. An important part of our vision is the desire that local people should value voluntary and community activity. In order to achieve this Community Action MK has to raise awareness and understanding of the VCS. Community Action MK has to be accessible and have a high public profile if it is to achieve greater involvement of the community. We will make the most of new and emerging communication tools and techniques, and in some cases we will lead on its development and implementation in the sector whilst we also firmly believe that our direct face-to-face contact with groups and individuals must be maintained.

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**TRUSTEES ANNUAL REPORT** *(continued)*

**YEAR ENDED 31 MARCH 2011**

**PLANS FOR FUTURE PERIODS** *(continued)*

- Business Development Community Action MK believes in what it does and the way in which it works. In order to develop and improve our activities we wish to grow and improve the organisation. As the city grows so too will the voluntary and community sector. Community Action MK needs to be fully involved in the design of new communities so that we can ensure that activity is well integrated with the existing VCS networks and follows the same community development approach. Community Action MK may, in some cases take on the direct delivery of services as this could have some advantages, not least in ensuring financial sustainability. Community Action MK has learned a great deal in its operation so far and is committed to continual learning and improvement. We seek to share our experiences and to promote our model of partnership working and community development and demonstrate how it may be of benefit to other communities in the UK and overseas. We have lessons to share and more lessons to learn with a range of potential partners.
- These activities can assist in generating income to further our activities.

**RESPONSIBILITIES OF THE TRUSTEES**

The trustees (who are also the directors of Community Action MK (Formerly Milton Keynes Council of Voluntary Organisations) for the purposes of company law) are responsible for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. The trustees are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2011

In so far as the trustees are aware

there is no relevant audit information of which the charitable company's auditor is unaware, and

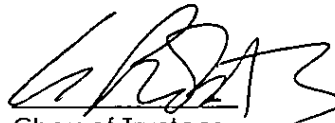
the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

**AUDITOR**

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

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

Signed on behalf of the trustees



Chair of Trustees  
G ROBERTS

27/10/11

**COMMUNITY ACTION : MK  
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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
COMMUNITY ACTION · MK  
(FORMERLY MILTON KEYNES COUNCIL OF VOLUNTARY ORGANISATIONS)**

**YEAR ENDED 31 MARCH 2011**

We have audited the financial statements of Community Action MK for the year ended 31 March 2011 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, 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 company's shareholders, 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 company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

As explained more fully in the Trustees' Responsibilities Statement set out on page 11, the trustees (who are also the directors of the charitable company 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 (APB'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 company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by directors, and the overall presentation of the financial statements.

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2011 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 MATTERS 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.

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
COMMUNITY ACTION : MK  
(FORMERLY MILTON KEYNES COUNCIL OF VOLUNTARY ORGANISATIONS) *(continued)***

**YEAR ENDED 31 MARCH 2011**

**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

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

28/10/11

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



**COMMUNITY ACTION : MK  
(FORMERLY MILTON KEYNES COUNCIL OF VOLUNTARY ORGANISATIONS)  
COMPANY LIMITED BY GUARANTEE**

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

**YEAR ENDED 31 MARCH 2011**

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2011 £	Total Funds 2010 £
<b>INCOMING RESOURCES</b>					
Incoming resources from generating funds					
Voluntary income	2	95,471	550,000	645,471	95,021
Activities for generating funds	3	4,634	-	4,634	3,463
Investment income	4	9,235	-	9,235	894
Incoming resources from charitable activities	5	6,042	599,254	605,296	553,539
Other incoming resources	6	-	2,096	2,096	12,556
<b>TOTAL INCOMING RESOURCES</b>		<u>115,382</u>	<u>1,151,350</u>	<u>1,266,732</u>	<u>665,473</u>
<b>RESOURCES EXPENDED</b>					
Resources expended on charitable activities					
Governance costs	7/8	(306,973)	(496,841)	(803,814)	(740,043)
	9	(4,653)	-	(4,653)	(7,394)
<b>TOTAL RESOURCES EXPENDED</b>		<u>(311,626)</u>	<u>(496,841)</u>	<u>(808,467)</u>	<u>(747,437)</u>
<b>NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS</b>					
Transfer between funds	10	(196,244)	654,509	458,265	(81,964)
	11	227,197	(227,197)	-	-
<b>NET INCOME/(EXPENDITURE) FOR THE YEAR</b>		30,953	427,312	458,265	(81,964)
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		416,359	790,704	1,207,063	1,289,027
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>447,312</u>	<u>1,218,016</u>	<u>1,665,328</u>	<u>1,207,063</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 17 to 25 form part of these financial statements.

**COMMUNITY ACTION : MK  
(FORMERLY MILTON KEYNES COUNCIL OF VOLUNTARY ORGANISATIONS)  
COMPANY LIMITED BY GUARANTEE**

**BALANCE SHEET**

**31 MARCH 2011**

	Note	2011 £	£	2010 £
<b>FIXED ASSETS</b>				
Tangible assets	13		44,725	707
<b>CURRENT ASSETS</b>				
Debtors	14	26,717		56,002
Cash at bank and in hand		<u>1,624,209</u>		<u>1,191,734</u>
		<u>1,650,926</u>		<u>1,247,736</u>
<b>CREDITORS. Amounts falling due within one year</b>	15	<u>(30,323)</u>		<u>(41,380)</u>
<b>NET CURRENT ASSETS</b>			<u>1,620,603</u>	<u>1,206,356</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>1,665,328</u>	<u>1,207,063</u>
<b>NET ASSETS</b>			<u>1,665,328</u>	<u>1,207,063</u>
<b>FUNDS</b>				
Restricted income funds	16		<u>1,218,016</u>	<u>790,704</u>
Unrestricted income funds	17		<u>447,312</u>	<u>416,359</u>
<b>TOTAL FUNDS</b>			<u>1,665,328</u>	<u>1,207,063</u>

These financial statements were approved by the members of the committee on the  
27/10/11 and are signed on their behalf by



G ROBERTS (CHAIR)  
Director

Company Registration Number 4279401

The notes on pages 17 to 25 form part of these financial statements

**COMMUNITY ACTION : MK  
(FORMERLY MILTON KEYNES COUNCIL OF VOLUNTARY ORGANISATIONS)  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2011**

**1 ACCOUNTING POLICIES**

**Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards, the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 (SORP 2005) and the Companies Act 2006

**Cash flow statement**

The trustees have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the charity is small

**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

**Incoming resources and grants**

All incoming resources are 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

Incoming resources 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  
(FORMERLY MILTON KEYNES COUNCIL OF VOLUNTARY ORGANISATIONS)  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2011**

**1 ACCOUNTING POLICIES (continued)**

**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.

**Fixed assets**

All fixed assets are initially recorded at cost.

**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:

Equipment - 16.66% to 50% straight line  
Leasehold improvements - 16.66% straight line

**2 VOLUNTARY INCOME**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2011 £	Total Funds 2010 £
<b>Grants receivable</b>				
MK Council	95,471	-	95,471	95,021
Roof Tariff Funds	-	550,000	550,000	-
	<u>95,471</u>	<u>550,000</u>	<u>645,471</u>	<u>95,021</u>

**3. INCOMING RESOURCES FROM ACTIVITIES FOR GENERATING FUNDS**

	Unrestricted Funds £	Total Funds 2011 £	Total Funds 2010 £
Other activities for generating funds	<u>4,634</u>	<u>4,634</u>	<u>3,463</u>

**4 INVESTMENT INCOME**

	Unrestricted Funds £	Total Funds 2011 £	Total Funds 2010 £
Bank interest receivable	<u>9,235</u>	<u>9,235</u>	<u>894</u>

**COMMUNITY ACTION : MK  
(FORMERLY MILTON KEYNES COUNCIL OF VOLUNTARY ORGANISATIONS)  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2011**

**5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2011 £	Total Funds 2010 £
Community Mobiliser Service	6,042	328,612	334,654	326,280
Capacity Builders Modernisation Programme	-	111,170	111,170	107,545
Health Trainer	-	-	-	33,349
Broughton & MKV Parish - CM	-	17,580	17,580	10,000
Street Games	-	-	-	5,365
MKCLIP - Young Peoples Project	-	-	-	24,000
MKCLIP - Volunteering Infrastructure	-	-	-	20,000
Children & Young Peoples Network	-	40,000	40,000	5,000
Capacity Builders CDF	-	22,000	22,000	22,000
Have Your Say	-	35,000	35,000	-
Lifestyle Guide Projects	-	2,409	2,409	-
Lifestyle Guides	-	42,483	42,483	-
	<u>6,042</u>	<u>599,254</u>	<u>605,296</u>	<u>553,539</u>

**6. OTHER INCOMING RESOURCES**

	Restricted Funds £	Total Funds 2011 £	Total Funds 2010 £
Online filing incentive	-	-	76
Real Urban Arts Academy	820	820	750
Tinkers Bridge Drop In	100	100	3,000
Respect Table Tennis Club	1,176	1,176	1,230
3rd Sector Review	-	-	7,500
	<u>2,096</u>	<u>2,096</u>	<u>12,556</u>

**7 COSTS OF CHARITABLE ACTIVITIES BY FUND TYPE**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2011 £	Total Funds 2010 £
Outgoing resources	44,592	483,855	528,447	500,356
Support costs	262,381	12,986	275,367	239,687
	<u>306,973</u>	<u>496,841</u>	<u>803,814</u>	<u>740,043</u>

**COMMUNITY ACTION : MK  
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**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2011**

**8 COSTS OF CHARITABLE ACTIVITIES BY ACTIVITY TYPE**

	Other charitable activity £	Support costs £	Total Funds 2011 £	Total Funds 2010 £
Staff costs	-	181,395	181,395	156,094
Rent, rates and service charges	-	47,445	47,445	51,285
Legal and professional	-	16,003	16,003	6,089
Communication and IT	-	6,826	6,826	4,865
Training	-	8,909	8,909	5,653
Office repairs and maintenance	-	3,757	3,757	4,460
Other office expenses	-	11,032	11,032	11,241
Outgoing resources	<u>528,447</u>	-	<u>528,447</u>	<u>500,356</u>
	<u>528,447</u>	<u>275,367</u>	<u>803,814</u>	<u>740,043</u>

**9. GOVERNANCE COSTS**

	Unrestricted Funds £	Total Funds 2011 £	Total Funds 2010 £
AGM and trustee meetings	2,161	2,161	5,069
Audit fees	<u>2,492</u>	<u>2,492</u>	<u>2,325</u>
	<u>4,653</u>	<u>4,653</u>	<u>7,394</u>

**10 NET INCOMING/(OUTGOING) RESOURCES FOR THE YEAR**

This is stated after charging

	2011 £	2010 £
Staff pension contributions	5,500	977
Auditors' remuneration - audit of the financial statements	<u>2,492</u>	<u>2,325</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:

	2011 £	2010 £
Wages and salaries	559,188	511,704
Social security costs	44,753	41,523
Other pension costs	<u>5,500</u>	<u>977</u>
	<u>609,441</u>	<u>554,204</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2011**

**12 STAFF COSTS AND EMOLUMENTS** *(continued)*

**Particulars of employees**

The average number of employees during the year, calculated on the basis of full-time equivalents, was as follows

	2011	2010
	No	No
Number of administrative staff	22	18
Number of management staff	1	1
	<b>23</b>	<b>19</b>

No employee received remuneration of more than £60,000 during the year (2010 - Nil)

There were no trustees remuneration or benefits for the year ended 31 March 2011 (2010 none)

No trustees expenses were paid for the year ended 31 March 2011 (2010 none)

**13 TANGIBLE FIXED ASSETS**

	Equipment £	Leasehold improvements £	Total £
<b>COST</b>			
At 1 April 2010	48,503	-	48,503
Additions	25,817	26,178	51,995
Disposals	(350)	-	(350)
<b>At 31 March 2011</b>	<b>73,970</b>	<b>26,178</b>	<b>100,148</b>
<b>DEPRECIATION</b>			
At 1 April 2010	47,796	-	47,796
Charge for the year	5,785	2,192	7,977
On disposals	(350)	-	(350)
<b>At 31 March 2011</b>	<b>53,231</b>	<b>2,192</b>	<b>55,423</b>
<b>NET BOOK VALUE</b>			
<b>At 31 March 2011</b>	<b>20,739</b>	<b>23,986</b>	<b>44,725</b>
At 31 March 2010	707	-	707

**14 DEBTORS**

	2011	2010
	£	£
Trade debtors	10,477	46,639
Other debtors	2,220	993
Prepayments	14,020	8,370
	<b>26,717</b>	<b>56,002</b>

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

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2011**

**15. CREDITORS** Amounts falling due within one year

	2011 £	2010 £
Trade creditors	2,941	26,679
Taxation and social security	13,548	13,061
Wages control account	-	122
Accruals	<u>13,834</u>	<u>1,518</u>
	<u>30,323</u>	<u>41,380</u>

**16 RESTRICTED INCOME FUNDS**

	Balance at 1 Apr 2010 £	Incoming resources £	Outgoing resources £	Transfers £	Balance at 31 Mar 2011 £
Community Mobiliser Service Capacity Builders Modernisation Programme	7,580	328,612	(246,025)	(79,906)	10,261
Roof Tariff Funds Broughton & MKV Parish - CM Development Officer - Growth Real Urban Arts Academy Tinkers Bridge Drop In Respect Table Tennis Club MKCLIP - Young Peoples Project MKCLIP - Volunteering Infrastructure Children And Young Peoples Network Capacity Builders CDF Have Your Say Lifestyles Guides Lifestyle Guide Projects	- 731,480 414 - 3 2,433 1,170 21,700 20,000 2,581 3,343 - - -	111,170 550,000 17,580 - 820 100 1,176 - - 40,000 22,000 35,000 42,483 2,409	(55,657) - (28,609) (31,994) (614) (69) (2,346) (21,700) (13,500) (29,589) (13,900) (20,000) (31,936) (902)	(55,513) (103,439) 11,445 31,994 (193) - - - - (7,000) (11,443) (5,000) (8,142) -	- 1,178,041 830 - 16 2,464 - - - 6,500 5,992 - 10,000 2,405 1,507
	<u>790,704</u>	<u>1,151,350</u>	<u>(496,841)</u>	<u>(227,197)</u>	<u>1,218,016</u>



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**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2011**

**16. RESTRICTED INCOME FUNDS (continued)**

**Community Mobiliser Service**

To support the delivery of the Community Mobiliser contract, specifically the employment, management and development of the Community Mobilisers and to provide resources to enable the Community Mobilisers to support and develop community activity within their estates

**Capacity Builders Modernisation Programme**

To resource the Outreach MK project that ensures consistent and reliable support at a neighbourhood level

**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. Specifically the strategic support to the wider sector

**Broughton & MKV Parish - CM**

To employ a Community Mobiliser with an activity budget to be utilised in the expansion area around Broughton, MK

**Development Officer - Growth**

To employ a Development Officer to work with organisations in MK to build their capacity to deliver services in the new expansion areas

**Real Urban Arts Academy**

A fund held on behalf of the group to deliver activities in furtherance of their aims

**Tinkers Bridge Drop-In**

A fund held on behalf of the group to deliver activities in furtherance of their aims

**Respect Table Tennis Club**

A fund held on behalf of the group to deliver activities in furtherance of their aims

**MKCLIP Young Peoples Project**

To resource the delivery of a young person-led programme of community activities within the catchments of Leon School and Woughton Academy

**MKCLIP Volunteering Infrastructure**

To resource the delivery of a project which brokers a relationship between private sector employers and the VCS to support skilled employees into volunteering opportunities

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

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2011**

**16 RESTRICTED INCOME FUNDS (continued)**

**Children And Young Peoples Network**

To fund the recruitment of a CYP Partnership Officer and fund a level of activities to further the aims of the Network

**Capacity Builders CDF**

To partly fund the employment of a partnership officer to work with the LSP to ensure that by March 2011 it is strategic, credible and influential

**Have Your Say**

To support ongoing engagement of hard to reach groups through projects led by MKCIL, MKEC, Q Alliance, Council of Faiths, Women & Work

**Lifestyle Guides**

To support the interim management of the NHS Lifestyle Guides Programme

**Lifestyle Guides Projects**

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

**17 UNRESTRICTED INCOME FUNDS**

	Balance at 1 Apr 2010 £	Incoming resources £	Outgoing resources £	Transfers £	Balance at 31 Mar 2011 £
Strategic					
Development	149,600	-	(9,068)	-	140,532
Exit Strategy	-	-	-	136,300	136,300
General Funds	<u>266,759</u>	<u>115,382</u>	<u>(302,558)</u>	<u>90,897</u>	<u>170,480</u>
	<u>416,359</u>	<u>115,382</u>	<u>(311,626)</u>	<u>227,197</u>	<u>447,312</u>

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

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

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2011**

**18 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Tangible fixed assets £	Net assets £	Total £
<b>Restricted Income Funds.</b>			
Total Funds	-	1,218,016	1,218,016
<b>Unrestricted Income Funds</b>			
Designated Funds	-	276,832	276,832
General Funds	44,725	125,755	170,480
	<u>44,725</u>	<u>402,587</u>	<u>447,312</u>
<b>Total Funds</b>	<u>44,725</u>	<u>1,620,603</u>	<u>1,665,328</u>

**19. COMPANY LIMITED BY GUARANTEE**

Community Action MK is a company limited by guarantee. The liability of each member is limited to contributing £1 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.