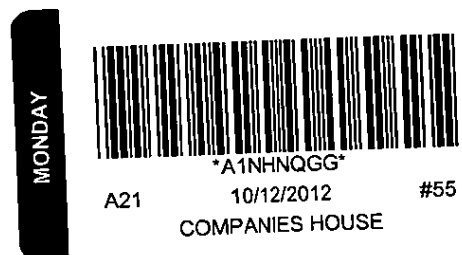


**COMMUNITY ACTION : MK
COMPANY LIMITED BY GUARANTEE
FINANCIAL STATEMENTS
31 MARCH 2012**

Charity Number 1092047



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

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2012

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**COMMUNITY ACTION : MK
COMPANY LIMITED BY GUARANTEE
TRUSTEES ANNUAL REPORT
YEAR ENDED 31 MARCH 2012**

The trustees, who are also directors for the purposes of company law, present their report and the consolidated financial statements of the charity and its subsidiary for the year ended 31 March 2012.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered charity name	Community Action MK
Charity registration number	1092047
Company registration number	4279401
	Acorn House 351 Midsummer Boulevard Central Milton Keynes MK9 3HP
Registered office	Acorn House 351 Midsummer Boulevard Milton Keynes MK9 3HP

THE TRUSTEES

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

	G Roberts A Francome (retired 9 November 2011) K Caldbeck B Serginson (Chair) G Anderson (retired February 2011) A Armes J Cove F Mercer A Grout J Marshall V Pandya K Smith (Treasurer) D Tunney
Co-opted member	J Upton
Secretary	R Stone
Auditor	Keens Shay Keens MK Chartered Accountants & Statutory Auditor Sovereign Court 230 Upper Fifth Street Central Milton Keynes MK9 2HR
Bankers	Natwest Bank Plc 501 Silbury Boulevard Saxon Gate East Milton Keynes MK9 3ER

COMMUNITY ACTION : MK COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2012

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.

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. The 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 2 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. 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.

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 *(continued)*

YEAR ENDED 31 MARCH 2012

OBJECTIVES AND ACTIVITIES

The 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 (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

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

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

With the considerable changes across the financial landscape having broad impacts upon the sector and the communities we work within, this year was an opportunity to reflect on the issues and consider how we are able to develop appropriate services that meet the needs of the community that we serve and develop new, sustainable financial models for resourcing them

We began the process of developing our new 5 year plan. The process reflects the current insecurities around longer term funding by using scenario planning to enable us to be flexible in its approach whilst maintain focus on our charitable objects. We have continued to deliver a successful programme of support to the Voluntary and Community Sector (VCS) across MK, including the radical redesign of our website and all of our communications. Our comprehensive learning and events programme had 893 places filled on 53 training sessions.

Our Community Interest Company, 'Community Action Development Services' was launched at the start of the financial year. The primary purpose for the establishment of the company, is to provide unrestricted income to enable Community Action MK to deliver the universal support services needed to ensure that Milton Keynes VCS flourishes. In challenging economic times with reducing resources in the public sector, there is a greater need to establish varied income streams. The establishment of the company will enable us to make the most of our products within new and developing markets.

We were thrilled when we were awarded the local Community Engagement and Empowerment contract for three years, with the possibility of a two year extension. This will provide a significant resource in priority communities to increase social capital and reduce dependency on public services. We developed and launched an engagement app for mobile phones, the first of its kind, which is already having significant impact on how we can deliver our services more effectively.

Understanding the VCS

It should be noted that the Coalition Government no longer refers to the Third Sector, or the Voluntary and Community Sector. The terminology now commonly used in policy announcements, and increasingly in local government, is that of the Civil Society.

COMMUNITY ACTION : MK
COMPANY LIMITED BY GUARANTEE
TRUSTEES ANNUAL REPORT *(continued)*
YEAR ENDED 31 MARCH 2012

The concepts of 'civil society' and 'civil society organisation' are still debated but we use these terms as they are most widely understood internationally. Other common terms are, non-profit organisation, charity, NGO, third sector, voluntary sector and so on. For the purposes of this report we shall continue to refer to the Voluntary and Community Sector (VCS). At Community Action MK 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. 174 members have returned detailed financial information in the past 12 months which provides a snapshot picture of VCS activity in MK (2011 in brackets)

- 27% (29%) have an income under £1000
- 27% (33%) are between £1001 and £10,000
- 26% (23%) are between £10,001 and £100,000
- 19% (11%) are between £100,001 and £1million
- 8% (3%) over £1 million

Evidence of group needs, collected via organisational health checks, feedback from events and analysis of enquiries demonstrates that key concerns are

- Funding and non-financial support for projects
- Developing relationships with businesses
- Getting new members / increasing exposure
- Premises (finding them and keeping them)

This year has seen a number of changes in the way we deliver services, reflecting the changing needs of communities and the financial and political landscape that we are in. This is reflected in the significant developments in the delivery of our core functions

Development

We were thrilled that this year we were awarded the contract for Community Engagement and Empowerment across Milton Keynes through the local authority. This follows the significant achievements of the Community Mobiliser programme which was once again reflected in an evaluation study from the Open University

- The work over the past few years in developing and refining our approach to community development paid dividends when it became 'mainstreamed' through the award of a five year Community Engagement and Empowerment contract through Milton Keynes Council
- The Community Mobiliser programme, which will form the basis of our delivery of the new Community Engagement and Empowerment contract, continued its success, reaching levels of support which have surpassed all previous levels. Across MK, the Community Mobilisers supported members of communities to deliver over 2,400 (2,002 in previous year) different activities, with 41,071 (36,008) attendances and volunteers providing almost 11,600 (9,500) hours of support. During the year we have been working to clearly communicate the value of the service and in April we produced an 'Outcomes Framework' which was able to place the outputs the programme generated against the outcomes that drove the direction of focus. This was identified as a significant development of the service by the Open University during their evaluation this year.

COMMUNITY ACTION : MK COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2012

- Researchers from the Open University were commissioned to follow up their 2005-2008 evaluation of the Community Mobiliser programme. They completed their research in September and have since produced a report which demonstrates the impact of the programme in communities and in supporting individual well being
- In late summer 2011 we launched our engagement app for mobile phones which is able to record, collate and analyse community dialogue through our community mobilisers in real time. This provides an immediate picture of the issues, ideas and interests expressed within a community and how that compares across the city. This has proven invaluable for prioritising work within our own service to better meet the needs of the local community but also in reporting back to partners who can also tailor their support to communities accordingly
- Our work on the tariff continues and we are becoming increasingly aware of the importance of influencing planning policy in light of local and national changes. We have been involved in the Milton Keynes Council's Planning Policy Obligations Review. Our aim has been to ensure that future development in Milton Keynes provide a contribution to Social Infrastructure and have used the tariff as a model. Milton Keynes Council will soon be required to begin using Community Infrastructure Levy in their negotiations with developers. This is predominantly a capital fund, and thus it is proving a challenge to understand how community development support for new communities will occur in the future. Our discussions with Milton Keynes Council continue. In a similar vein we are being approached by the planning officers at Milton Keynes council to contribute to more and more requests for whether S106 payments are required for future developments. These negotiations are under the current policy arrangements which are not as yet affected by the Planning Policy Obligations Review. Finally the legal agreement for the tariff was completed and we were able to finalise the Grant Fund for the Eastern Expansion Area. As MKP was disbanded in March 2011, we have since been required to report to JCIDT. We continue to make our annual film with The Living Archive. This year's film has a real sense of optimism and community action. Although there still remains no dedicated community space, the plans for the Broughton Pavilion are progressing. The Community Mobiliser is supporting the process and ensuring residents are involved. The Community Foundation have been exploring options for developing the Community Reserve sites in the Eastern Expansion Area and although much of this is commercially sensitive we have been involved in discussions where appropriate

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

- We provided in depth 1:1 support to 273 VCS groups, including 49 newly formed groups. These visits continue to be highly popular. A mix of groups came to us with specific requests (usually for funding advice) and we were able to go out and meet with groups we have had no, or little, contact with. Common themes for last year's visits include, finding office or meeting spaces and groups looking to increase their relationships with local businesses for in-kind donations. As part of our contract with Youth Services we agreed a target of 52 youth sector groups to be directly supported but we saw more than twice that

**COMMUNITY ACTION : MK
COMPANY LIMITED BY GUARANTEE
TRUSTEES ANNUAL REPORT *(continued)*
YEAR ENDED 31 MARCH 2012**

- As a direct result of feedback from the sector we organised a 'Preparing for Commissioning' programme from September - December 2011 which was attended by 153 people over 5 sessions
- We moved our behind the scenes events administration system to Eventbrite, a free tool which has made our booking process more efficient. It has also enabled us to take credit card payments for the first time. Initial feedback from users is that they like the system and find it easy to use. We do still offer to take bookings over the phone for those that prefer
- Email newsletters have become our primary form of communication with users, backed up with a strong social media presence and our new website. We have a total of 1,431 individuals receiving one, some, or all of our newsletters
- We have changed the way we communicate with users this year, switching over to the 'MailChimp' system. Now, communications can be tracked effectively, enabling us to analyse how people engage with our information. Our social media channels have been a great source of connecting to new people and to help communicate news and info about us and the wider sector. We have 277 'fans' on Facebook which has proven more effective for communicating with local people, and 469 'followers' on Twitter which is more useful for making connections with organisations outside the city

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

- Our Learning and Events programme built on the lessons and processes learnt through the Outreach project of the previous year. Aside from our AGM, our highest attended events were our Engaging Diversity conference, our VIP Party for the Red Bull event, the Working with Child Poverty in Milton Keynes event and Planning for the Future: The Role of Trustees and Management Committees. Last year, 425 places were filled on 9 network events
- For our more formal learning opportunities the range of sessions on engaging across the strands of diversity proved very popular, as were our Introduction to Funding sessions and our Building A Free Website session. Informal sessions - spotlights which focus on a specific issue with people talking around a table or over a cuppa - continue to interest users, with the more popular ones being based around emerging issues such as the Community Assets spotlight and the spotlight on Children & Families Practices. Less popular topics this year were sessions around professional skills such as time management, which have proved popular in the past
- The Community Involvement Programme advertised walking tours, however there was very little take up via the website. Anecdotal evidence suggests that during the current climate, it was hard for some previous participants to take time out for this type of activity. However we will respond to individual requests for small study walks as and when they arise, for example our Bradville Community Mobiliser was keen to show off art work residents had been involved with, so we organised a walking tour of the estate for staff and colleagues from other organisations. We continued to offer a voice for the Voluntary and Community Sector on a number of growth issues, such as Milton Keynes Core Strategy, regeneration, and community assets. Growth Gossip continued to be published fortnightly and a Growth Facebook has 826 friends. We continue to be involved in advocating for there to be appropriate processes for the distribution of Section 106 monies to the sector

COMMUNITY ACTION : MK
COMPANY LIMITED BY GUARANTEE
TRUSTEES ANNUAL REPORT (continued)
YEAR ENDED 31 MARCH 2012

Representation

Community Action MK aims to enable the diverse views of local voluntary and community groups to be represented to external bodies, developing and facilitating structures which promote effective working relationships and two way communication. In 2011/12 we achieved this through

- Raising the awareness of the local authority and the local business sector about the expertise, role and value that the VCS can contribute to discussion and decision making on emerging issues around economic development, the transfer of community assets and health and well-being. We achieved this through a two-way flow of information and views e.g. via e newsletters, focus groups and open network meetings and by direct membership of consultative groups such as the Patient Participation Advisory Group and the Business Council.
- During the year the jointly agreed Commissioning Framework for the Third Sector was implemented. In the last quarter of the year an impact review of the Framework was carried out via on-line survey and an open meeting where feedback was tested and will be incorporated into an updated framework for 2012/13.
- A focus for the year has been the work of the Child Poverty Commission set up by the Children and Families Partnership to investigate the experience of child poverty in Milton Keynes. As a member of the Commission, Community Action MK proactively facilitated the involvement of the VCS in providing both written and verbal evidence to the Commission. The work of the Commission has attracted considerable national and government interest as a result of its innovative approach and wide ranging engagement with community members.

Strategic Partnership

Community Action MK works to enhance the VCS role as an integral part of local planning and policy-making by playing an active part in the development and operation of relevant strategic partnerships.

- In 2011/12 we worked with colleagues across sectors on the Steering Group to develop a shadow Health and Well-Being Board for Milton Keynes. As a result of our involvement we were able to establish an electoral process for VCS representation to the Board.
- An important strand of strategic partnership work this year arose from our membership of the Higher Education Strategic Development Board. The Board established a 3 person Task group to respond to emerging opportunities for the accelerated development of Higher Education provision in Milton Keynes and it was felt that VCS representation in the process was an essential part of the development.
- Other strategic partnership work during the year has included the establishment of MK Gateway, a joint enterprise between academia, business and the VCS, an innovative approach to enterprise and joint working across sectors.

FINANCIAL REVIEW

Total incoming resources for the year amounted to £919,444 which is a net decrease of £347,288 on 2011. There was a receipt of an additional tranche of Roof Tariff Funds for £150,000. The Community Mobiliser programme increased its capacity into two new areas and received funding from Milton Keynes Council, various parish and town councils and Children's Centres which, together with contributions to costs from participants, generated income of £443,879 (2011 £334,654). Finally, the charity's core funding by Milton Keynes Council amounted to £89,820 (2011 £95,471).

**COMMUNITY ACTION : MK
COMPANY LIMITED BY GUARANTEE
TRUSTEES ANNUAL REPORT *(continued)*
YEAR ENDED 31 MARCH 2012**

Total outgoing resources for the year amounted to £1,060,479, an increase of £252,011 over 2011. This includes a transfer to MK Community Foundation of £106,665 in respect of the Roof Tariff VCS grants programme. By far the largest cost of the charity is its staff, and this increase reflects a higher overall staffing requirement in order to properly fulfill its restricted project responsibilities.

As a result the charity showed an overall deficit of £72,580 for the year (2011 surplus, £458,264), however, there was a surplus of unrestricted funds of £19,502 (2011, £30,953) and a deficit of restricted funds of £92,082, due primarily to the transfer to MK Community Foundation in respect of the Roof Tariff.

Reserves policy

The charity's restricted reserves as at 31 March 2012 stand at £1,125,934 (2011 £1,218,016), of which £1,084,680 (2011 £1,178,041) represents monies unspent on the roof tariff programme, while unrestricted reserves amount to £466,814 (2011 £447,312).

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 development opportunities arise. This reserve now stands at £107,801 (2011 £140,532).

In view of the current uncertainties throughout the 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 £222,713 (2011 £170,480), 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. Following last year's development of an investment portfolio with Standard Life Wealth, the total investment income generated was £81,274 (2011 £9,235) with investment management fees of £14,998.

PLANS FOR FUTURE PERIODS

The development of a new five year strategic framework will take place over the next year. The process has been established and follows the development of scenarios that reflect the current and potential financial and political landscapes. This will enable us to develop flexible plans that provide assurances for the delivery of our charitable objects into the future. The contract for infrastructure support services that form the core of our work in Milton Keynes is out for tender, with a decision expected in September 2012. We will be developing a bid for that contract over the early part of the year. Our Community Interest Company, Community Action Development Services will be encouraged and supported to pursue new funding routes to provide the required level of income to support that delivery. It will be developing a three year business plan that sets out its anticipated areas of work as well as the expected level of return over that period.

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

**TRUSTEES ANNUAL REPORT *(continued)*
YEAR ENDED 31 MARCH 2012**

RESPONSIBILITIES OF THE TRUSTEES

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

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and 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 accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

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

07/11/2012

Signed on behalf of the trustees


B Serginson (Chair of Trustees)

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

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

YEAR ENDED 31 MARCH 2012

We have audited the financial statements of Community Action MK for the year ended 31 March 2012 on pages 12 to 24, which comprise the Consolidated Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company'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 company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees' Responsibilities Statement, 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 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 charitable company'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 reports and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the group and charitable company's affairs as at year ended 31 March 2012 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' Annual Report for the financial year for the which the financial statements are prepared is consistent with the financial statements.

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

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

YEAR ENDED 31 MARCH 2012

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

ELIZABETH NEWELL BA(Hons) ACA (Senior Statutory Auditor)
For and on behalf of
KEENS SHAY KEENS MK
Chartered Accountants & Statutory Auditor

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

7 NOV 2012

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

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

YEAR ENDED 31 MARCH 2012

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2012 £	Total Funds 2011 £
INCOMING RESOURCES					
Incoming resources from generating funds					
Voluntary income	2	141,995	149,882	291,877	645,471
Activities for generating funds	3	534,749	–	534,749	4,634
Investment income	4	12,818	–	12,818	9,235
Incoming resources from charitable activities	5	–	80,000	80,000	605,296
Other incoming resources	6	–	–	–	2,096
TOTAL INCOMING RESOURCES		689,562	229,882	919,444	1,266,732
RESOURCES EXPENDED					
Resources expended on charitable activities	7/8	(821,186)	(218,411)	(1,039,597)	(803,815)
Governance costs	9	(5,884)	–	(5,884)	(4,653)
Other resources expended	10	(14,998)	–	(14,998)	–
TOTAL RESOURCES EXPENDED		(842,068)	(218,411)	(1,060,479)	(808,468)
NET (OUTGOING)/INCOMING RESOURCES FOR THE YEAR					
Transfer between funds	11	(152,506)	11,471	(141,035)	458,264
Realised gains/(losses) on investments	12	103,553	(103,553)	–	–
Unrealised gains/(losses) on investments		(1,082)	–	(1,082)	–
		<u>69,537</u>	<u>–</u>	<u>69,537</u>	<u>–</u>
NET MOVEMENT IN FUNDS/NET (EXPENDITURE)/INCOME FOR THE YEAR		19,502	(92,082)	(72,580)	458,264
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>447,312</u>	<u>1,218,016</u>	<u>1,665,328</u>	<u>1,207,064</u>
TOTAL FUNDS CARRIED FORWARD		466,814	1,125,934	1,592,748	1,665,328

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

All of the above amounts relate to continuing activities

The notes on pages 15 to 23 form part of these financial statements.

COMMUNITY ACTION: MK
CONSOLIDATED BALANCE SHEET

31 MARCH 2012

	Note	2012 £	2011 £
FIXED ASSETS			
Tangible assets	14	32,014	44,725
Investments	15	<u>1,068,412</u>	<u>-</u>
		1,100,426	44,725
CURRENT ASSETS			
Debtors	16	23,376	26,717
Cash at bank and in hand		<u>512,178</u>	<u>1,624,209</u>
		535,554	1,650,926
CREDITORS: Amounts falling due within one year	17	<u>(43,232)</u>	<u>(30,323)</u>
NET CURRENT ASSETS		492,322	1,620,603
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,592,748</u>	<u>1,665,328</u>
NET ASSETS		<u>1,592,748</u>	<u>1,665,328</u>
FUNDS			
Restricted income funds	19	1,125,934	1,218,016
Unrestricted income funds	20	<u>466,814</u>	<u>447,312</u>
TOTAL FUNDS		<u>1,592,748</u>	<u>1,665,328</u>

These financial statements were approved by the members of the committee on the 07/11/2012 and are signed on their behalf by

B SERGINSON
Director



Company Registration Number 4729401

The notes on pages 15 to 23 form part of these financial statements

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

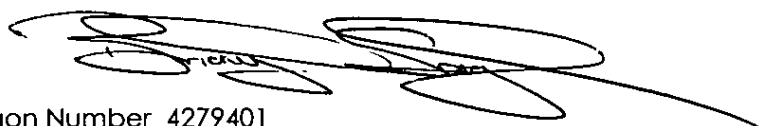
CHARITY BALANCE SHEET

31 MARCH 2012

	Note	2012 £	2011 £
FIXED ASSETS			
Tangible assets	14	32,014	44,725
Investments	15	1,068,412	—
		<u>1,100,426</u>	<u>44,725</u>
CURRENT ASSETS			
Debtors	16	503,398	26,717
Cash at bank and in hand		512,178	1,624,209
		<u>1,015,576</u>	<u>1,650,926</u>
CREDITORS: Amounts falling due within one year	17	<u>(523,254)</u>	<u>(30,323)</u>
NET CURRENT ASSETS		492,322	1,620,603
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,592,748</u>	<u>1,665,328</u>
NET ASSETS		<u>1,592,748</u>	<u>1,665,328</u>
FUNDS			
Restricted income funds	19	1,125,934	1,218,016
Unrestricted income funds	20	466,814	447,312
TOTAL FUNDS		<u>1,592,748</u>	<u>1,665,328</u>

These financial statements were approved by the members of the committee on the 07/11/2012 and are signed on their behalf by

B SERGINSON
Director



Company Registration Number 4279401

The notes on pages 15 to 23 form part of these financial statements

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2012

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, except for investments which are included at market value and the revaluation of certain fixed assets, 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
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2012

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.

Operating lease agreements

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

Depreciation

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

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

2. VOLUNTARY INCOME

	Unrestricted Funds £	Restricted Funds £	Total Funds 2012 £	Total Funds 2011 £
Grants receivable				
MK Council	141,995	(118)	141,877	95,471
Roof Tariff Funds	—	150,000	150,000	550,000
	<u>141,995</u>	<u>149,882</u>	<u>291,877</u>	<u>645,471</u>

3. INCOMING RESOURCES FROM ACTIVITIES FOR GENERATING FUNDS

	Total Funds 2012 £	Total Funds 2011 £
Other activities for generating funds	<u>534,749</u>	<u>4,634</u>

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2012

4. INVESTMENT INCOME

	Unrestricted Funds £	Total Funds 2012 £	Total Funds 2011 £
Bank interest receivable	1,863	1,863	9,235
Investment dividend income	10,955	10,955	–
	<u>12,818</u>	<u>12,818</u>	<u>9,235</u>

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Restricted Funds £	Total Funds 2012 £	Total Funds 2011 £
Community Mobiliser Service	–	–	334,654
Capacity Builders Modernisation Programme	–	–	111,170
Broughton & MKV Parish - CM	–	–	17,580
Children & Young Peoples Network	45,000	45,000	40,000
Capacity Builders CDF	–	–	22,000
Have Your Say	35,000	35,000	35,000
Lifestyle Guide Projects	–	–	2,409
Lifestyle Guides	–	–	42,483
	<u>80,000</u>	<u>80,000</u>	<u>605,296</u>

6. OTHER INCOMING RESOURCES

	Total Funds 2012 £	Total Funds 2011 £
Real Urban Arts Academy	–	820
Tinkers Bridge Drop In	–	100
Respect Table Tennis Club	–	1,176
	<u>–</u>	<u>2,096</u>

7. COSTS OF CHARITABLE ACTIVITIES BY FUND TYPE

	Unrestricted Funds £	Restricted Funds £	Total Funds 2012 £	Total Funds 2011 £
Outgoing resources	725,051	215,120	940,171	528,448
Support costs	96,135	3,291	99,426	275,367
	<u>821,186</u>	<u>218,411</u>	<u>1,039,597</u>	<u>803,815</u>

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2012

8. COSTS OF CHARITABLE ACTIVITIES BY ACTIVITY TYPE

	Other charitable activity £	Support costs £	Total Funds 2012 £	Total Funds 2011 £
Staff costs	255,755	-	255,755	181,395
Rent, rates and service charges	-	47,125	47,125	47,445
Legal and professional	-	3,599	3,599	16,003
Communication and IT	-	31,266	31,266	6,826
Training	-	5,217	5,217	8,909
Office repairs and maintenance	-	124	124	3,757
Other Expenses	-	8,804	8,804	11,032
Other CIC expenses	220,284	-	220,284	-
Outgoing resources	467,423	-	467,423	528,448
	<u>943,462</u>	<u>96,135</u>	<u>1,039,597</u>	<u>803,815</u>

9. GOVERNANCE COSTS

	Unrestricted Funds £	Restricted Funds £	Total Funds 2012 £	Total Funds 2011 £
AGM and trustee meetings	2,251	-	2,251	2,161
Audit fees	3,633	-	3,633	2,492
	<u>5,884</u>	<u>-</u>	<u>5,884</u>	<u>4,653</u>

10. OTHER RESOURCES EXPENDED

	Unrestricted Funds £	Total Funds 2012 £	Total Funds 2011 £
Investment management fees	14,998	14,998	-

11. NET (OUTGOING)/INCOMING RESOURCES FOR THE YEAR

This is stated after charging		
	2012 £	2011 £
Staff pension contributions	5,118	5,500
Auditors' remuneration - audit of the financial statements	<u>3,633</u>	<u>2,492</u>

12. 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

**COMMUNITY ACTION : MK
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2012**

13. STAFF COSTS AND EMOLUMENTS

Total staff costs were as follows:

	Group	Charity	Charity Only
	2012	2012	2011
	£	£	£
Wages and salaries	563,239	327,595	559,188
Social security costs	42,796	22,685	44,753
Other pension costs	5,118	4,278	5,500
	<u>611,153</u>	<u>354,558</u>	<u>609,441</u>

Particulars of employees:

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

	Group	Charity	Charity Only
	2012	2012	2011
	No	No	No
Number of administrative staff	20	20	22
Number of management staff	2	2	1
	<u>22</u>	<u>22</u>	<u>23</u>

No employee received remuneration of more than £60,000 during the year (2011 - Nil)

There were no trustees remuneration or benefits for the year ended 31 March 2012 (2011 none)

No trustees expenses were paid for the year ended 31 March 2012 (2011 - none)

14. TANGIBLE FIXED ASSETS (GROUP AND CHARITABLE COMPANY)

	Equipment	Leasehold improvements	Total
	£	£	£
COST			
At 1 April 2011	77,241	26,178	103,419
Additions	1,872	—	1,872
At 31 March 2012	<u>79,113</u>	<u>26,178</u>	<u>105,291</u>
DEPRECIATION			
At 1 April 2011	56,502	2,192	58,694
Charge for the year	10,059	4,524	14,583
At 31 March 2012	<u>66,561</u>	<u>6,716</u>	<u>73,277</u>
NET BOOK VALUE			
At 31 March 2012	<u>12,552</u>	<u>19,462</u>	<u>32,014</u>
At 31 March 2011	<u>20,739</u>	<u>23,986</u>	<u>44,725</u>

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2012

15. INVESTMENTS (GROUP AND CHARITABLE COMPANY)

Movement in market value

	2012 £	2011 £
Acquisitions at cost	1,186,345	-
Disposals at opening book value	(187,470)	-
Net gains on revaluations in the year ended 31 March 2012	<u>69,537</u>	-
Market value at 31 March 2012	<u>1,068,412</u>	-
Historical cost at 31 March 2012	<u>998,875</u>	-

Community Action MK has a 100% interest in Community Action Development Services CIC, a company limited by guarantee, of which Community Action MK is the sole member. A summary of the results of Community Action Development Services CIC can be found in note 24.

16. DEBTORS

	Group 2012 £	Charity 2012 £	Charity Only 2011 £
Trade debtors	9,110	9,110	10,477
Amounts owed by group undertakings	-	480,022	-
Other debtors	1,830	1,830	2,220
Prepayments	<u>12,436</u>	<u>12,436</u>	<u>14,020</u>
	<u>23,376</u>	<u>503,398</u>	<u>26,717</u>

17. CREDITORS: Amounts falling due within one year

	Group 2012	Charity 2012 £	Charity Only 2011 £
Trade creditors	7,618	7,618	2,941
Amounts owed to group undertakings	-	482,022	-
Taxation and social security	26,543	26,543	13,548
Other creditors	71	71	-
Accruals	<u>9,000</u>	<u>7,000</u>	<u>13,834</u>
	<u>43,232</u>	<u>523,254</u>	<u>30,323</u>

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2012

18. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2012 the charity had annual commitments under non-cancellable operating leases as set out below

	2012		2011	
	Land and buildings £	Other items £	Land and buildings £	Other items £
Operating leases which expire:				
Within 2 to 5 years	<u>46,744</u>	<u>7,600</u>	<u>46,744</u>	<u>7,600</u>

19. RESTRICTED INCOME FUNDS

	Balance at 1 Apr 2011 £	Incoming resources £	Outgoing resources £	Transfers £	Balance at 31 Mar 2012 £
Community Mobiliser Service	10,261	-	-	-	10,261
Roof Tariff Funds	1,178,041	150,001	(147,807)	(95,554)	1,084,681
Broughton & MKV Parish - CM	830	-	(830)	-	-
Real Urban Arts Academy	16	-	(17)	1	-
Tinkers Bridge Drop In	2,464	-	(461)	-	2,003
MKCLIP - Volunteering Infrastructure	6,500	-	(2,000)	-	4,500
Children And Young Peoples Network	5,992	45,000	(42,423)	(3,000)	5,569
Have Your Say	10,000	35,000	(24,749)	(5,000)	15,251
Lifestyles Guides	2,405	-	-	-	2,405
Lifestyle Guide Projects	1,507	(119)	(124)	-	1,264
	<u>1,218,016</u>	<u>229,882</u>	<u>(218,411)</u>	<u>(103,553)</u>	<u>1,125,934</u>

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2012

19. 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

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

Broughton & MKV Parish - CM

To provide activities in the expansion area around Broughton, MK

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

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

Children And Young Peoples Network

To fund the activities of the network that provides infrastructure support to VCS youth groups across MK

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 training needs of volunteers engaged in the Lifestyle Guide Project

Lifestyle Guides Projects

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

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2012

20. UNRESTRICTED INCOME FUNDS (GROUP AND CHARITABLE COMPANY)

	Balance at 1 Apr 2011 £	Incoming resources £	Outgoing resources and transfers £	Gains and losses £	Balance at 31 Mar 2012 £
Strategic					
Development	140,532	-	(32,731)	-	107,801
Exit Strategy	136,300	-	-	-	136,300
General Funds	170,480	689,562	(705,784)	68,455	222,713
	<u>447,312</u>	<u>689,562</u>	<u>(738,515)</u>	<u>68,455</u>	<u>466,814</u>

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

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible fixed assets £	Investments £	Net current assets £	Total £
Restricted Income Funds:				
Restricted Funds	-	1,068,412	57,522	1,125,934
Unrestricted Income Funds:				
Designated Funds	32,014	-	212,087	244,101
General Funds	-	-	222,713	222,713
	<u>32,014</u>	<u>-</u>	<u>434,800</u>	<u>466,814</u>
Total Funds	<u>32,014</u>	<u>1,068,412</u>	<u>492,322</u>	<u>1,592,748</u>

22. RELATED PARTY TRANSACTIONS

Name of related party	Nature of relationship	Transaction Detail	Balance £
Community Action Development Services CIC	Subsidiary CIC	Debtor Creditor	480,022 (482,022)

The company donates its year-end surplus to the charity. The donation received for the period under review amounted to £55,870.

23. COMPANY LIMITED BY GUARANTEE

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

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2012

24. RESULTS OF SUBSIDIARY

	Period from 6 Apr 11 to 31 Mar 12 £
TURNOVER	534,749
Cost of sales	<u>(164,636)</u>
GROSS PROFIT	370,113
Administrative expenses	<u>(370,113)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	-
Tax on profit on ordinary activities	<u>-</u>
PROFIT FOR THE FINANCIAL PERIOD	-
	31 Mar 12
	£
CURRENT ASSETS	
Debtors	482,022
CREDITORS: Amounts falling due within one year	<u>482,022</u>
NET CURRENT ASSETS	-
TOTAL ASSETS LESS CURRENT LIABILITIES	-
	<u>-</u>
RESERVES	-
MEMBERS' FUNDS	<u>-</u>