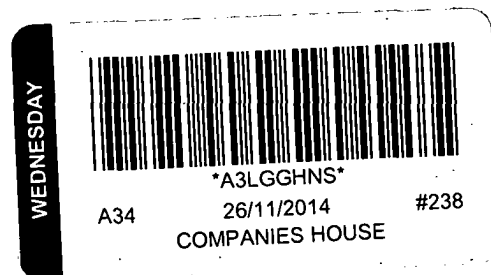


**COMMUNITY ACTION: MK
COMPANY LIMITED BY GUARANTEE
FINANCIAL STATEMENTS
31 MARCH 2014**

Charity Number 1092047



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

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2014

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

TRUSTEES ANNUAL REPORT

YEAR ENDED 31 MARCH 2014

The trustees, who are also directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 March 2014.

REFERENCE AND ADMINISTRATIVE DETAILS

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

The trustees

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

G Yafai
S Thornton
K Caldbeck
B Fox (Chair)
A Armes (Retired 7 November 2013)
J Cove
F Mercer
A Grout
V Pandya
K Smith (Treasurer)
D Tunney
C Westell (Appointed 7 November 2013)
S Frossell (Appointed 7 November 2013)

Secretary R Stone

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

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

COMMUNITY ACTION: MK COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2014

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

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

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

The directors at 31 March 2014 are listed on page 1.

Recruitment and Appointment of the board of trustees

The trustees are elected annually by the members of the charity attending the Annual General Meeting and serve for an initial period of three years. A further three year term may be served. Trustees are nominated from member organisations. A limited number of additional trustees may also be co-opted onto the Board. Trustees meet six times a year. An executive sub-committee, comprising the chair, vice chair and treasurer meets with senior staff bimonthly. From time to time, the board delegates discrete pieces of work to Task Groups, membership of which comprises of at least two trustees plus other appropriate members.

Trustee Induction and Training

New trustees receive both a verbal and written induction. The Trustee Handbook is regularly updated to ensure that the information is accurate and reflects current practice. Trustees are asked to complete a skills audit and skill gaps across the board are discussed and additional trustees are co-opted to meet agreed needs.

Risk Management

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

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

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

Subsidiaries

The Charity is the guarantor for Community Action: Development Services CIC and acts as the asset locked body for the CIC. The objects of the company are to carry on activities which benefit the community and in particular (without limitation) the residents of Milton Keynes by developing and sustaining community activity. The company is governed through a board of Directors (two of which are Trustees of the Charity) and reports progress to the Charity's Board of Trustees at each meeting.

COMMUNITY ACTION: MK COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2014

OBJECTIVES AND ACTIVITIES

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

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

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

Vision

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

Mission

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

Aims and Outcomes

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

COMMUNITY ACTION: MK COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2014

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

COMMUNITY ACTION: MK COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2014

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

PUBLIC BENEFIT

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

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

Our achievements and performance in the reporting period provide evidence of our impact for public benefit.

ACHIEVEMENTS AND PERFORMANCE

Our aim is to support charities and community groups in Milton Keynes to be skilled, knowledgeable and well run so that they are able to achieve their aims and collaborate effectively with others. We provide opportunities for these groups to network with each other and to share the diverse range of interests and needs in Milton Keynes.

COMMUNITY ACTION: MK COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2014

Learning & Events

Our Learning and Events programme has provided opportunities for networking, peer learning, a chance to meet experts in particular fields and explore what additional support we have to offer, for example, strategic planning and outcomes monitoring. We have offered a range of Spotlights, Meet the Expert and 'Introduction to' sessions this year as well as general and targeted networking events. We surveyed 174 attendees over the year. We recorded 2 vital elements of the events; to what extent the attendees were satisfied with the overall event, and then the wider impact the learning experience had on the individuals and groups. We asked what effect attending one of our learning sessions or events had on individuals' confidence within their role in their group. From the 147 attendees who we asked, 127 told us their confidence in their role within their organisation had increased after attending one of our events. It is important for attendees to increase their confidence so that they are able to make clearer decisions that affect their group. From those asked, 123 told us we had increased their knowledge at one of our events. It is important for attendees to increase their knowledge because groups can:

- Make better informed decisions
- Run more effectively
- Be more sustainable
- Better serve their members or users
- Be more inclusive

Support Visits

We provide charities and community groups in Milton Keynes with information and advice on setting up, governance, strategic development and funding. One of the ways we do this is working with groups on a one to one basis. We also carry out follow ups to check back on any additional support the group need. Our aim is to support charities and community groups in Milton Keynes to be skilled, knowledgeable and well run so that they are able to serve their aims and collaborate effectively with others. We surveyed 39 groups that we met through support visits.

Volunteering

This year has seen some exciting developments to our approach to supporting volunteering in Milton Keynes. In July 2013, we took on the services previously offered by the Volunteer Centre Milton Keynes, due to its unfortunate closure. This meant the addition to our staff team, of two highly skilled and experienced volunteer leads. We work with local charities and community groups to help them recruit volunteers for their organisations. We also work with members of the public giving them information, advice and guidance on volunteering opportunities and helping them choose the right role. We offer: 1:1 appointments, we run a weekly drop-in, we can arrange for someone to come along and give a talk on the service we offer, Free membership to groups who wish us to recruit volunteers on their behalf, weekly feature in the Citizen newspaper, selected volunteer opportunity roles featured on BBC 3 Counties radio, weekly, features on MK Web, weekly. All our roles can be found on www.do-it.org volunteers can apply via this website if they prefer. We keep a directory of current voluntary roles in the reception area of Acorn House, which is also available online and in local libraries. In addition to this, we offer 1:1 and group training and advice to volunteer managers and coordinators.

COMMUNITY ACTION: MK COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2014

Who is Volunteering?

Our range of services and focused approach has enabled a diverse range of people to access our brokering services and start to volunteer in Milton Keynes this year. This year, we placed 996 female volunteers and 358 male volunteers. We supported large numbers of younger volunteers in to volunteering roles this year. Our largest age group of placed volunteers is 25-34, which is 10 years younger than the national average (2008/09 DCLG Citizenship Survey). We are able to achieve this diversity through our range of communication channels, and our close working with partners and connection to our Community Mobiliser Programme, which consists of community development workers on the ground in 10 communities in Milton Keynes, who provide additional intelligence and connections.

What Difference Did This Make?

The aim of our group visits is to support a group to identify their needs and support them to understand what solutions are available to them. We found that 87% of groups we asked, said they were 'very satisfied' with their visit, with the remaining 13% telling us they were 'satisfied'. Satisfying the identified need of a group is one step of our support. In addition to this, we aim to support charities and community groups in Milton Keynes to be skilled, knowledgeable and well run so that they are able to serve their aims and collaborate effectively with others. 100% of groups we asked, told us their visit helped them access knowledge, which helped their group. We also asked groups to what extent our support during the meeting had increased the individuals' confidence of their role within their group. We received positive responses from 94% of groups, with 31% of all groups we asked, telling us we increased their confidence 'a great deal'.

Early Help

This year we have seen a variety of community activity across 9 areas of Milton Keynes.

We have worked with volunteers leading activities, peer support and plans for the future. We have recorded what these communities have been saying, how they have got involved, what has enabled and prevented such involvement. Residents have told us they want clear messages, with appropriate support being accessible to those who need it. We have heard how residents have come together to form their own solutions and the practical support they need to have available.

Impact

Our 1635 dialogues, which explains people's concerns and issues, have shown people feel isolated and disconnected from their community if they feel they cannot affect change, either in their own life, or within their community. Communities have told us how not having their voice heard has led to a lack of trust for public services in Milton Keynes. Overall, residents have explained they want to make change; make things happen in their communities by making their contribution count. Organisations can help this by streamlining involvement processes

We have the evidence of 2068 dialogues detailing ideas and interests to show people are making positive contributions. These have included, forming environmental patrols to highlight areas for improvement, clean up days to address this improvement, formalisation of community led plans, increased activity planned and delivered by young people for young people, and support for parents.

COMMUNITY ACTION: MK COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2014

FINANCIAL REVIEW

Total incoming resources for the year amounted to £677,733 which is a net increase of £5,138 on 2013.

Total outgoing resources for the year amounted to £925,679, an increase of £114,560 over 2013. This includes a planned investment in the CIC of £63,480. By far the largest cost of the charity continues to be its staff and in 2014 the number of staff increased from 22 to 26, which includes the incorporation of the Volunteer Centre staff and maternity cover. The annual transfer to MK Community Foundation in respect of the Roof Tariff VCS grants programme amounted to £27,826 in 2014 compared to £24,684 in 2013, reflecting the number of house completions this year.

As a result the charity showed an overall deficit of £226,461 for the year (2013 £94,530). The deficit on unrestricted funds was £62,690 (2013 surplus of £80,993) primarily as a result of the planned investment in the CIC, and the deficit on restricted funds was £163,771 (2013 £175,524), due to nil income and continuing spend on the Roof Tariff fund.

Reserves policy

Unrestricted reserves include two designated reserves. A strategic development reserve of £150,000 was set up in 2009-10, to be drawn against as development opportunities arose and associated asset acquisitions were depreciated. At March 2014 this reserve stands at £64,039 (2013 £134,187), following the planned investment in the CIC.

The charity's restricted reserves as at 31 March 2014 stand at £786,638 (2013 £950,409), of which £774,447 (2013 £931,889) represents monies unspent on the roof tariff programme, while unrestricted reserves amount to £485,118 (2013 £547,808).

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

In view of the current uncertainties throughout the sector as a whole regarding future funding availability, we have retained a separate designated exit contingency reserve of £252,600 (2013 £138,200) which was set up in 2011. This represents an estimated 3 months running costs which would be incurred during an orderly wind-down of the charity's operations. The reserve has increased significantly between 2013 and 2014 because of changes in the nature of the group's contracts over that period.

Free unrestricted reserves therefore stand at £168,479 (2013 £275,421), 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. The total investment return generated was £34,972 (2013 £62,071) with investment management fees of £16,355 (2013 £15,707). The unrealised gain on investments during the year amounted to £25,570 (2013 £38,334).

COMMUNITY ACTION: MK COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2014

PLANS FOR FUTURE PERIODS

We will continue to work within our agreed Strategic Framework and 3 year business plan. This sets out the areas of work and investment needed in order to generate the required surplus to support the Charity to fulfil its objectives. We are focused on areas of business that build on our existing expertise, experience and contacts base:

- Employer Supported Volunteering
- Community Involvement
- Innovative Technology

TRUSTEES' RESPONSIBILITIES STATEMENT

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

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and the income and expenditure of the charity for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

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

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2014

AUDITOR

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

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

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

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

Signed on behalf of the trustees


B FOX (CHAIR)

22/10/14
.....

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

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

YEAR ENDED 31 MARCH 2014

We have audited the financial statements of Community Action: MK for the year ended 31 March 2014 which comprise the Consolidated Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR

As explained more fully in the Trustees Annual Report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the group's and charitable company's affairs as at 31 March 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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

YEAR ENDED 31 MARCH 2014

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

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

28/10/2014

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

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

YEAR ENDED 31 MARCH 2014

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2014 £	Total Funds 2013 £
INCOMING RESOURCES					
Incoming resources from generating funds:					
Voluntary income	2	1,127	–	1,127	109,279
Activities for generating funds	4	501,373	–	501,373	501,632
Investment income	3	13,909	–	13,909	19,273
Incoming resources from charitable activities	5	–	161,324	161,324	42,411
TOTAL INCOMING RESOURCES		<u>516,409</u>	<u>161,324</u>	<u>677,733</u>	<u>672,595</u>
RESOURCES EXPENDED					
Resources expended on charitable activities					
	6/7	(667,565)	(236,358)	(903,923)	(791,215)
Governance costs	8	(5,018)	–	(5,018)	(4,176)
Other resources expended	9	(16,738)	–	(16,738)	(15,728)
TOTAL RESOURCES EXPENDED		<u>(689,321)</u>	<u>(236,358)</u>	<u>(925,679)</u>	<u>(811,119)</u>
NET OUTGOING RESOURCES BEFORE TRANSFERS					
	10	(172,912)	(75,034)	(247,946)	(138,524)
Transfer between funds	11	88,737	(88,737)	–	–
NET OUTGOING RESOURCES FOR THE YEAR		(84,175)	(163,771)	(247,946)	(138,524)
Realised gains/(losses) on investments		(4,085)	–	(4,085)	5,660
Unrealised gains/(losses) on investments		25,570	–	25,570	38,334
NET MOVEMENT IN FUNDS/NET EXPENDITURE FOR THE YEAR		(62,690)	(163,771)	(226,461)	(94,530)
RECONCILIATION OF FUNDS					
Total funds brought forward		547,808	950,409	1,498,217	1,592,747
TOTAL FUNDS CARRIED FORWARD		<u>485,118</u>	<u>786,638</u>	<u>1,271,756</u>	<u>1,498,217</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 16 to 25 form part of these financial statements.

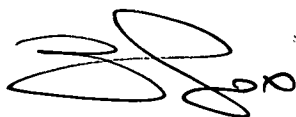
**COMMUNITY ACTION: MK
COMPANY LIMITED BY GUARANTEE**

CONSOLIDATED BALANCE SHEET

31 MARCH 2014

	Note	2014 £	2013 £
FIXED ASSETS			
Tangible assets	13	18,572	23,678
Investments	14	<u>907,349</u>	<u>1,114,775</u>
		925,921	1,138,453
CURRENT ASSETS			
Debtors	15	149,949	153,888
Cash at bank and in hand		<u>307,552</u>	<u>269,031</u>
		457,501	422,919
CREDITORS: Amounts falling due within one year	16	<u>(111,666)</u>	<u>(63,155)</u>
NET CURRENT ASSETS		345,835	359,764
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,271,756</u>	<u>1,498,217</u>
NET ASSETS		<u>1,271,756</u>	<u>1,498,217</u>
FUNDS			
Restricted income funds	18	786,638	950,409
Unrestricted income funds	19	<u>485,118</u>	<u>547,808</u>
TOTAL FUNDS		<u>1,271,756</u>	<u>1,498,217</u>

These financial statements were approved by the members of the committee and authorised for issue on the 22/10/14 and are signed on their behalf by:



B FOX (CHAIR)
Director

Company Registration Number: 04279401

The notes on pages 16 to 25 form part of these financial statements.

COMMUNITY ACTION: MK COMPANY LIMITED BY GUARANTEE

CHARITY BALANCE SHEET

31 MARCH 2014

	Note	2014 £	2013 £
FIXED ASSETS			
Tangible assets	13	18,572	23,678
Investments	14	<u>907,349</u>	<u>1,114,775</u>
		925,921	1,138,453
CURRENT ASSETS			
Debtors	15	190,942	153,888
Cash at bank and in hand		<u>206,558</u>	<u>268,838</u>
		397,500	422,726
CREDITORS: Amounts falling due within one year	16	<u>(51,665)</u>	<u>(62,962)</u>
NET CURRENT ASSETS		345,835	359,764
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,271,756</u>	<u>1,498,217</u>
NET ASSETS		<u>1,271,756</u>	<u>1,498,217</u>
FUNDS			
Restricted income funds	18	786,638	950,409
Unrestricted income funds	19	<u>485,118</u>	<u>547,808</u>
TOTAL FUNDS		<u>1,271,756</u>	<u>1,498,217</u>

These financial statements were approved by the members of the committee and authorised for issue on the ~~22/10/14~~ and are signed on their behalf by:



B FOX (CHAIR)
Director

Company Registration Number: 04279401

The notes on pages 16 to 25 form part of these financial statements.

**COMMUNITY ACTION: MK
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2014**

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 in accordance with applicable United Kingdom accounting standards and the requirements of the Statement of Recommended Practice 'Accounting and Reporting by Charities' issued in March 2005 (SORP 2005).

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.

Resources expended

Resources expended are accounted for on an accruals basis.

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

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

COMMUNITY ACTION: MK COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2014

1. ACCOUNTING POLICIES *(continued)*

Fixed assets

All fixed assets are initially recorded at cost.

Operating lease agreements

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

Depreciation

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

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

2. VOLUNTARY INCOME

	Unrestricted Funds £	Total Funds 2014 £	Total Funds 2013 £
Grants receivable			
Unrestricted funding	<u>1,127</u>	<u>1,127</u>	<u>109,279</u>

3. INVESTMENT INCOME

	Unrestricted Funds £	Total Funds 2014 £	Total Funds 2013 £
Bank interest receivable	422	422	1,196
Investment dividend income	<u>13,487</u>	<u>13,487</u>	<u>18,077</u>
	<u>13,909</u>	<u>13,909</u>	<u>19,273</u>

4. INCOMING RESOURCES FROM ACTIVITIES FOR GENERATING FUNDS

	Unrestricted Funds £	Total Funds 2014 £	Total Funds 2013 £
Other activities for generating funds	<u>501,373</u>	<u>501,373</u>	<u>501,632</u>

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Restricted Funds £	Total Funds 2014 £	Total Funds 2013 £
Voluntary Youth Sector	40,393	40,393	39,611
Fullers Slade & Galley Hill Community Links	-	-	1,800
Bradville Underpass & Swap Shop	-	-	1,000
MKC Infrastructure Support	<u>120,931</u>	<u>120,931</u>	-
	<u>161,324</u>	<u>161,324</u>	<u>42,411</u>

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2014

6. COSTS OF CHARITABLE ACTIVITIES BY FUND TYPE

	Unrestricted Funds £	Restricted Funds £	Total Funds 2014 £	Total Funds 2013 £
Outgoing resources	575,415	236,358	811,773	712,178
Support costs	92,150	-	92,150	79,037
	<u>667,565</u>	<u>236,358</u>	<u>903,923</u>	<u>791,215</u>

7. COSTS OF CHARITABLE ACTIVITIES BY ACTIVITY TYPE

	Other charitable activity £	Support costs £	Total Funds 2014 £	Total Funds 2013 £
Rent, rates and service charges	-	46,744	46,744	46,744
Legal and professional	-	2,493	2,493	1,157
Communication and IT	-	24,436	24,436	16,568
Training	-	7,111	7,111	7,651
Office repairs and maintenance	-	843	843	115
Other Expenses	-	10,523	10,523	6,801
Other CIC expenses	124,664	-	124,664	60,774
Outgoing resources	687,109	-	687,109	651,405
	<u>811,773</u>	<u>92,150</u>	<u>903,923</u>	<u>791,215</u>

8. GOVERNANCE COSTS

	Unrestricted Funds £	Total Funds 2014 £	Total Funds 2013 £
AGM and trustee meetings	1,668	1,668	1,476
Audit fees	3,350	3,350	2,700
	<u>5,018</u>	<u>5,018</u>	<u>4,176</u>

9. OTHER RESOURCES EXPENDED

	Unrestricted Funds £	Total Funds 2014 £	Total Funds 2013 £
Losses on disposal of tangible fixed assets for charity's own use	383	383	-
Investment management fees	16,355	16,355	15,707
Donations paid	-	-	21
	<u>16,738</u>	<u>16,738</u>	<u>15,728</u>

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2014

10. NET OUTGOING RESOURCES FOR THE YEAR

This is stated after charging:

	2014	2013
	£	£
Staff pension contributions	3,773	5,608
Auditors' remuneration:		
- audit of the financial statements	<u>3,350</u>	<u>2,700</u>

11. FUND TRANSFERS

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

12. STAFF COSTS AND EMOLUMENTS

Total staff costs were as follows:

Charity

	2014	2013
	£	£
Wages and salaries	186,500	213,739
Social security costs	17,446	20,414
Other pension costs	3,773	5,608
	<u>207,719</u>	<u>239,761</u>

Group:

	2014	2013
	£	£
Wages and salaries	526,140	482,233
Social security costs	49,307	45,261
Other pension costs	5,536	6,715
	<u>580,983</u>	<u>534,209</u>

Particulars of employees (Group and charity):

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

	2014	2013
	No	No
Number of administrative staff	24	20
Number of management staff	<u>2</u>	<u>2</u>
	<u>26</u>	<u>22</u>

No employee received remuneration of more than £60,000 during the year (2013 - Nil).

There were no trustees remuneration or benefits for the year ended 31 March 2014 (2013: none).

No trustees expenses were paid for the year ended 31 March 2014 (2013: none)

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2014

13. TANGIBLE FIXED ASSETS (GROUP AND CHARITY)

	Equipment	Leasehold improvements	Total
	£	£	£
COST			
At 1 April 2013	82,991	26,178	109,169
Additions	5,671	-	5,671
Disposals	(4,703)	-	(4,703)
At 31 March 2014	<u>83,959</u>	<u>26,178</u>	<u>110,137</u>
DEPRECIATION			
At 1 April 2013	74,251	11,240	85,491
Charge for the year	5,948	4,446	10,394
On disposals	(4,320)	-	(4,320)
At 31 March 2014	<u>75,879</u>	<u>15,686</u>	<u>91,565</u>
NET BOOK VALUE			
At 31 March 2014	<u>8,080</u>	<u>10,492</u>	<u>18,572</u>
At 31 March 2013	<u>8,740</u>	<u>14,938</u>	<u>23,678</u>

14. INVESTMENTS (GROUP AND CHARITY)

Movement in market value

	2014 £	2013 £
Market value at 1 April 2013	1,114,775	1,068,412
Acquisitions at cost	552,839	246,523
Disposals at opening book value	(775,931)	(244,154)
Net gains on revaluations in the year ended 31 March 2014	15,666	43,994
Market value at 31 March 2014	<u>907,349</u>	<u>1,114,775</u>
Historical cost at 31 March 2014	<u>826,670</u>	<u>1,009,194</u>

Analysis of investments at 31 March 2014 between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2014 £	Total Funds 2013 £
Other investments				
Other UK Investments	<u>433,392</u>	<u>473,957</u>	<u>907,349</u>	<u>1,114,775</u>

Community Action: MK has a 100% interest in Community Action Development Services CIC, a company limited by guarantee, of which the charity is the sole member. A summary of the results of Community Action Development Services CIC can be found in note 22.

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COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2014

15. DEBTORS

Charity:

	2014	2013
	£	£
Trade debtors	17,001	139,522
Amounts owed by group undertakings	159,053	–
Other debtors	1,942	1,850
Prepayments	12,946	12,516
	<u>190,942</u>	<u>153,888</u>

Group:

	2014	2013
	£	£
Trade debtors	129,195	139,522
Other debtors	7,808	1,850
Prepayments	12,946	12,516
	<u>149,949</u>	<u>153,888</u>

16. CREDITORS: Amounts falling due within one year

Charity:

	2014	2013
	£	£
Trade creditors	17,697	9,558
Amounts owed to group undertakings	–	4,112
Taxation and social security	17,659	38,720
Other creditors	9,309	4,072
Accruals	7,000	6,500
	<u>51,665</u>	<u>62,962</u>

Group:

	2014	2013
	£	£
Trade creditors	37,428	9,558
Taxation and social security	34,095	38,720
Other creditors	9,309	4,072
Accruals	30,834	10,805
	<u>111,666</u>	<u>63,155</u>

**COMMUNITY ACTION: MK
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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2014

17. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2014 the charity had annual commitments under non-cancellable operating leases as set out below.

	2014		2013	
	Land and buildings £	Other items £	Land and buildings £	Other items £
Operating leases which expire:				
Within 1 year	-	-	46,744	-
Within 2 to 5 years	<u>46,744</u>	<u>7,600</u>	-	<u>7,600</u>
	<u>46,744</u>	<u>7,600</u>	<u>46,744</u>	<u>7,600</u>

18. RESTRICTED INCOME FUNDS

	Balance at 1 Apr 2013 £	Incoming resources £	Outgoing resources £	Transfers £	Balance at 31 Mar 2014 £
CM Activity					
Budgets	-	-	(431)	431	-
Roof Tariff Funds	931,889	-	(60,374)	(97,068)	774,447
Development					
Officer - Growth	-	-	(37,068)	37,068	-
Tinkers Bridge					
Drop In	2,003	-	(2,003)	-	-
MKCLIP -					
Volunteering					
Infrastructure	4,500	-	-	(4,500)	-
MKC					
Infrastructure					
Support	-	120,931	(122,325)	1,394	-
Voluntary Youth					
Sector	7,455	40,393	(13,264)	(26,062)	8,522
Lifestyles Guides	2,405	-	-	-	2,405
Lifestyle Guides					
Projects	1,264	-	-	-	1,264
Fullers Slade &					
Galley Hill					
Community Links	493	-	(493)	-	-
Bradville					
Underpass &					
Swap Shop	400	-	(400)	-	-
	<u>950,409</u>	<u>161,324</u>	<u>(236,358)</u>	<u>(88,737)</u>	<u>786,638</u>

**COMMUNITY ACTION: MK
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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2014

18. RESTRICTED INCOME FUNDS *(continued)*

CM Activity Budgets

This represents a small project in Broughton funded via a re-allocation of funds from the Roof Tariff during the year ended 2013/14.

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.

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.

MKC Infrastructure Support

To provide charities and community groups in MK with information and advice on setting up, governance, strategic development and funding.

Voluntary Youth Sector

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

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.

Fullers Slade and Galley Hill Community Links

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

Bradville Underpass and Swap Shop

To fund an underpass artwork project and support implementation of a community swapshop in Bradville.

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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2014

19. UNRESTRICTED INCOME FUNDS

Charity:

	Balance at 1 Apr 2013 £	Incoming resources £	Outgoing resources £	Transfers £	Balance at 31 Mar 2014 £
Strategic Development	134,187	–	(6,668)	(63,480)	64,039
Exit Strategy	138,200	–	–	114,400	252,600
General Funds	275,421	86,694	(231,453)	37,817	168,479
	<u>547,808</u>	<u>86,694</u>	<u>(238,121)</u>	<u>88,737</u>	<u>485,118</u>

Group:

	Balance at 1 Apr 2013 £	Incoming resources £	Outgoing resources/ other £	Transfers £	Balance at 31 Mar 2014 £
Strategic Development	134,187	–	(6,668)	(63,480)	64,039
Exit Strategy	138,200	–	–	114,400	252,600
General Funds	275,421	516,409	(661,168)	37,817	168,479
	<u>547,808</u>	<u>516,409</u>	<u>(667,836)</u>	<u>88,737</u>	<u>485,118</u>

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

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible fixed assets £	Investments £	Net current assets £	Total £
Restricted Income Funds:				
Restricted Funds	31	473,957	312,650	786,638
Unrestricted Income Funds:				
Designated Funds	13,519	282,877	20,243	316,639
General Funds	5,022	150,515	12,942	168,479
	<u>18,541</u>	<u>433,392</u>	<u>33,185</u>	<u>485,118</u>
Total Funds	<u>18,572</u>	<u>907,349</u>	<u>345,835</u>	<u>1,271,756</u>

21. COMPANY LIMITED BY GUARANTEE

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

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2014

22. RESULTS OF SUBSIDIARY

	Year to 31 Mar 14	Year to 31 Mar 13
£	£	£
TURNOVER	501,373	501,373
COST OF SALES		
Direct costs	(77,355)	(77,355)
GROSS PROFIT	424,018	424,018
ADMINISTRATIVE EXPENSES		
Personnel costs		
Directors salaries	(36,411)	(28,941)
Directors national insurance contributions	(3,479)	(3,219)
Wages and salaries	(303,228)	(239,553)
Cross charged - Salaries	(15,300)	(10,000)
Employers national insurance contributions	(28,383)	(21,628)
Agency staff costs	(3,758)	-
Recruitment costs	(1,730)	-
Staff pension contributions	(1,763)	(1,106)
	(394,052)	(304,447)
Establishment expenses		
Insurance	(855)	(1,500)
General expenses		
Travel and subsistence	(1,968)	(1,616)
Telephone	(3,883)	(4,810)
Hire of equipment	(2,000)	(2,000)
Equipment repairs and renewals	(7,165)	(9,170)
Printing, stationery and postage	(40)	(13)
Staff training	(684)	(6,933)
Other staff related expenses	-	-
Sundry expenses	(88)	(14)
Donations	63,480	(62,104)
Subscriptions	(35)	(185)
Advertising	(23,404)	(100)
Legal and professional fees	(47,791)	(6,771)
Accountancy fees	(3,060)	(3,000)
Auditors remuneration	(2,433)	(1,550)
	(29,071)	(98,266)
Financial costs		
Bank charges	(40)	(8)
PROFIT ON ORDINARY ACTIVITIES	-	-