

Company Registration No. 01967962  
Charity Registration No. 293546

**MILTON KEYNES CHRISTIAN FOUNDATION LIMITED**  
**(A Company Limited by Guarantee)**  
**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**MILTON KEYNES CHRISTIAN FOUNDATION LIMITED**  
**YEAR ENDED 31 MARCH 2020**  
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**MILTON KEYNES CHRISTIAN FOUNDATION LIMITED**  
**YEAR ENDED 31 MARCH 2020**  
**LEGAL AND ADMINISTRATIVE INFORMATION**

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**Company Number:** 01967962

**Charity Registration Number:** 293546

**Trustees:** Mr J G Ghaleb  
Mr D H Head  
Mr S J Norrish (resigned 31 March 2020)  
Rev P Sharrocks  
Mr M Morris (resigned 2 March 2020)  
Rev Dr M Cotes  
Rev J M Mills  
Ms C H Brew  
Mrs J Cooper-Bennett  
Rev J Robertson  
Mr P Galsworthy  
Mrs S Stallwood

**Secretary:** Mr J G Ghaleb

**Executive Director:** Mr S J Norrish (resigned 31 March 2020)

**Registered Office:** Foundation House  
The Square  
Aylesbury Street  
Wolverton  
Milton Keynes  
MK12 5HX

**Auditors:** Mercer & Hole  
Silbury Court  
420 Silbury Boulevard  
Central Milton Keynes  
MK9 2AF

**Bankers:** Lloyds Bank  
Milton Keynes  
MK12 5DG

**MILTON KEYNES CHRISTIAN FOUNDATION LIMITED**  
**YEAR ENDED 31 MARCH 2020**  
**TRUSTEES' REPORT**

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The Trustees submit their report together with the audited financial statements for the year ended 31<sup>st</sup> March 2020.

**Structure, Governance and Management**

**Governing Document**

The Milton Keynes Christian Foundation Ltd is a charitable company limited by guarantee, incorporated on 3 December 1985 and registered as a charity on 10 February 1986. The company was established under a Memorandum of Association, dated 14 October 1985, which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up, members of the Foundation are required to contribute towards the payment of debts and liabilities of the Foundation such amount as may be required, not exceeding one pound (£1).

**Recruitment and Appointment of Management Committee**

Under the Articles of Association, the Milton Keynes Christian Foundation is empowered to recruit members, from whom a Council of Management, consisting of no less than 7 and no more than 25 members shall be appointed to oversee the running of the organisation. In reality all the members of the Company also serve as trustees of the charitable company and as members of the Council of Management. They meet monthly to transact organisational business. The quorum for Council meetings (Board of Trustees meetings) is five.

One third of all Board members are required to retire by rotation each year, although all are eligible for re-appointment. At the Annual General Meeting Mary Cotes, Jackie Cooper-Bennett and Mike Morris retired by rotation. Being eligible they were re-elected to the Board.

**Risk Management**

The Charitable company recognises the importance of minimising risks to its reputation, integrity and financial sustainability and ensures that key risks are highlighted and incorporated into a risk register and the Executive's and Board's agendas which are regularly reviewed.

As with many charities the increased impact of the COVID-19 virus in the final months of the financial year raised the spectre of significant financial challenges for us. Prompt action by the executive in accessing the Government's Job Retention Scheme funding and a reduction in staff numbers has enabled us to stabilise our financial position.

Systems are in place within the organisation to minimise risks of fraudulent claims by clients, volunteers and staff, and systems have been developed, implemented and are monitored to ensure cash handling procedures are effective and transparent.

Internal procedures have been established to ensure compliance with health and safety of staff, volunteers, clients and visitors, and regular reports on health and safety are submitted to the Foundation's Executive and to the Board.



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In line with the requirements of Section 11 of the Children Act 2004 the Foundation has clear processes for meeting its responsibilities in relation to the safeguarding and welfare of children, young people and vulnerable adults, including regular safeguarding training for all staff and for our childcare trainees, effective information-sharing and inter-agency working, safer recruitment procedures and regular reporting of safeguarding issues to the Foundation's Executive and to the Board. In their February 2018 report the Ofsted inspectors noted that:

"Leaders, managers and board members place a high priority on safeguarding the trainees. They have made sure that all staff complete comprehensive training. Staff use their skills well to make sure that trainees feel safe and are safe. Staff and trainees have a good understanding of safeguarding and the risks associated with radicalisation and extremism. Trainees are aware of potential dangers and know how to report any concerns they may have. Staff deal with safeguarding and well-being concerns swiftly, and use strong links with specialist local agencies when necessary".

### **Organisational Structure**

The Charitable company has a Board of Trustees (Council of Management) of 12 members, who meet monthly and are responsible for the strategic direction and policy of the charity. Currently a majority of the members have a strong connection to the local Christian faith community, but also have extensive relevant experience relating to the running and development of the charity. Following lockdown the Board has continued to meet online and has initiated a weekly meeting with the Director, involving a small group from the Board.

Annually a strategic plan and budget is produced and presented to the Board for approval, this sets out the strategic priorities and directions for the coming year and sets all salaries. As well as monthly financial reporting, periodically reports are made to the Board to show progress against these strategic priorities. In relation to our training and childcare activities Self-Assessment Reviews and Quality Improvement Plans are also agreed which become the basis for priorities in developing training and childcare provision. Together these documents set out the strategic direction of the charity for the year ahead.

Day to day responsibility for the provision and development of services and activities has rested with one working Director, who's stipendiary post has been funded through the Milton Keynes' churches (MK Mission Partnership) and who was seconded to the charity.

This arrangement came to an end on 31 March 2020. MK Christian Foundation are anxious to ensure continuity of leadership, particularly with the arrival of the COVID-19 crisis, and have sought and received permission from the Charity Commissioner to provide the stipend for this position. To facilitate this Stephen Norrish resigned as a Company Director and Trustee of Milton Keynes Christian Foundation on 31 March 2020. The charity has as result been able to retain consistent and strong leadership through the current period of extreme turmoil. This arrangement is intended to be temporary while alternative structures are developed to provide for this ministry position. Planning for this has been delayed by the difficulties arising from the COVID-19 crisis.

The Director leads, manages and supervises the staff team and ensures that the charity delivers its charitable purposes, its strategic plan and that its range of services and activities are in line with contracts. An Executive, including the Director and other senior staff of the charity, meets at least fortnightly to oversee operational activities and to review progress and evaluate risks in relation to the strategic plan. The organisation has smaller teams that bring together staff around its training and social enterprises that support the delivery and development of day-to-day activities. Our young people have the opportunity to contribute to the development of the organisation through their own social enterprise meetings and other processes designed to gather their input.

**MILTON KEYNES CHRISTIAN FOUNDATION LIMITED**  
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The Charitable company's mission is delivered through a family of social enterprises that, through trading, co-produce solutions to local issues with global significance. The social enterprises also provide real work experience opportunities for young people who have struggled in education. The social enterprises work in the fields of horticulture, childcare, outdoor play, healthy eating, community premises, cycle maintenance, beekeeping and textile up-cycling. A Learning Support Team helps the young people to develop their maths and English, pursue accreditation for vocational skills acquired, identify and achieve positive progression pathways at the end of their training and receive any personal support needed.

The charity benefits from the support of a team of very able volunteers; however it is not considered that the activities of the charity are dependent on their input.

### **Related Parties**

One of our Directors, Svetla Stallwood, is a shareholder in DMS Network Solutions who have the contract to maintain the Charity's ICT.

### **Objectives and Activities**

The charitable company's objects under its Memorandum of Association are to advance the Christian religion, which we pursue through educational, community, environmental and economic development activities. We seek to work in ways that express our belief in a God who is passionately concerned for all life and particularly for the groups on the margins of our communities. We work to grow inclusive communities of compassion and hope, equality and justice; the priorities that we see profoundly expressed in the life and teaching of Jesus.

### **Our vision**

For vibrant communities where: the value of all people and all things is realised, and where their potential is released.

### **Purpose**

Our purpose is 'space-making', that provide opportunities and encounters that encourage the:

- release of potential in individuals and communities, particularly those experiencing disadvantage, enabling them to learn and grow sustainably, living full and healthy lives
- sustainable use of 'all things', our environment

### **Our mission**

To grow people and community through social enterprise.

### **Values**

That all people and all things:

- have an essential value and inherent potential;
- need to be contributing, learning, changing and growing;
- are interdependent and connected.

**MILTON KEYNES CHRISTIAN FOUNDATION LIMITED**  
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**TRUSTEES' REPORT**

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We create and grow social enterprises to support the delivery of our vision, enterprises that:

- express and promote our values;
- engage with key economic, social or environmental issues;
- deliver high quality, value laden products and services;
- provide rich contexts for people, often those who have not succeeded in education, to contribute, learn, grow and achieve;
- generate income to support our charitable activities

Our current enterprises include:

- **Think Food** cafes that promote individual and community health through food and eating;
- **Growing People** growing food very locally on our Urb Farm for health, food security and environmental sustainability
- **Childcare Pathways** supporting parents and children
- **Foundation House** supporting community activity and energy
- **Cycle Saviours** renovating and repairing pre-loved bikes, promoting cycling for health and environmental benefits
- **The Learning Tree** a holistic and therapeutic outdoor learning project providing nature-based education and play for children of all ages and abilities
- **Urban Bee-lievers** bringing bees to the city and promoting an understanding of the importance of pollinators to food security
- **Sew and Grow** making beautiful and useful items from naturally dyed, upcycled and repurposed waste textiles, challenging period poverty

These social enterprises work to change the world and people's lives by reducing and utilising waste, growing and cooking healthy food, creating community spaces and energy, supporting pollinators and cross pollinating ideas, connecting and gathering diverse communities, promoting healthier and more environmentally friendly forms of transport and supporting groups and families to play, learn and grow together. The enterprises also provide opportunities for young people outside formal education and employment to develop employability and vocational skills, to co-create their futures with us as they support us to deliver our mission.

Our training activities focus on young people who face barriers in life, education and employment; whether excluded or at risk of exclusion from schools, outside further education, training or employment, having a learning difficulty or disability, seeking to live independently, preparing for parenthood or being a young parent they all have something to contribute to our communities and learn and grow most effectively through practical engagement and doing.

#### **Fundraising from the general public**

The Charitable company does not engage in fundraising from the general public and neither uses a third party to do so.

**MILTON KEYNES CHRISTIAN FOUNDATION LIMITED**  
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**TRUSTEES' REPORT**

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**Public Benefit**

The Trustees have given due consideration to the Charity Commission's guidance on Public Benefit. The development of social enterprises has been integral in helping the Milton Keynes Christian Foundation achieve our public benefit requirements. They have offered disengaged and disadvantaged young people across Milton Keynes the opportunity to engage in useful, vocationally relevant training, which has helped them to gain new skills, achieve qualifications and address barriers to future employment and independent living, at the same time as giving them the opportunity to make a positive contribution to the community.

Our work has wider public benefit through the social enterprises' trading activities:

- the promotion of recycling and re-use as a means of conserving the earth's resources
- the growing and consuming of food locally to minimise transport costs and the cost of food production to the environment
- the provision of healthy meals to those struggling financially
- the importance of producing healthy and fairly traded food as a means of contributing to the nation's health
- the promotion of bike use to support health and reduction of carbon emissions
- the protection of bees and the promotion of understanding about the importance of pollinators to our environment and food security
- the provision of high quality childcare at affordable prices
- the provision of community facilities to support local individuals and community groups

**Achievements and Performance**

The year has been overshadowed by the emergence of the COVID-19 in February and March. This had led to the semi-closure of our training activities as we moved much of our education online and continued to welcome our most vulnerable young people. In line with Government guidance we also closed a number of our enterprises, though some have continued with limited production or provision of services throughout lockdown.

However there has been much in the year to celebrate whilst recognising that there are some areas where we've not done as well as we'd hoped.

**Urban Bee-lievers**, in seeking to make Milton Keynes a bee-friendly city has continued to expand the number of hives it manages, both on our Urban Farm and with businesses and schools across Milton Keynes. The focus over the year has been on developing the business model, identifying the numbers of hives, numbers of trainees and the range of products that will deliver a sustainable mode of operation. With Sew and Grow they have received a substantial 3 year grant from the Lloyds Bank Foundation to help with this process. The team have also been working with the British Bee Keepers Association and examination boards to develop beekeeping qualifications that will benefit learners, schools and colleges across the country, encouraging more young people into beekeeping.

**Sew and Grow**, this year has seen the development and sale of reusable period pads, combined with a campaign to highlight the challenges of period poverty. This has resulted in a very successful public festival which sought to raise awareness of period poverty. Milton Keynes Council awarded Sew and Grow a contract to produce 200 packs of 4 period pads for distribution in schools and we have been selling the range through a number of local shops and online outlets.



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**Cycle Saviours** has built a strong reputation for providing excellent service, both in the sale of donated, second-hand bikes and delivering outstanding repairs and servicing. The year started strongly with sales and servicing; however staff disruption in the final few months of the year led to a reduction in income. The COVID-19 driven closure has allowed us to reset the enterprise ready for reopening.

**Growing People** our grass-roots, community horticulture enterprise celebrated its 10<sup>th</sup> anniversary in 2019. They continued to improve planting plans and productivity over the year and welcomed many hundreds of visitors to enjoy and find more out about our work. The current crisis has highlighted the importance of food security and local food growing, two of the central concerns of Growing People. The enterprise encourages local people to look at the environmental implications of our food system, to promote local growing, to realise the many benefits of horticultural work and to eat more healthily.

**The Learning Tree** delivers Forest School activities to children of all ages in the small woodlands on the Urb Farm. Promoting nature based activities such as cooking on campfires, using tools for nature-based crafts, building dens, bug hunting and enjoying the environment whatever the weather! The sessions have proved to be particularly valuable for young people with special educational needs. Sadly we had to completely close the enterprise at the beginning of March in compliance with Government guidance on outdoor activities.

**Childcare Pathways**, our Early Years provision, had a visit from OfSTED in January of 2020 and received a 'Good' grading and a very positive report. The inspector spoke enthusiastically of her inability to tell our trainees apart from qualified staff. Feedback from parents has also been extremely positive and the provision has been gently increasing numbers following inspection. We have remained open throughout lockdown for children of key workers and those from vulnerable families.

**Foundation House** continues to host many groups and activities that grow people and community, as well as being the base for much of the charity's work. As well as the many local charities and community groups who use our buildings we have continued our support of initiatives such as the Winter Night Shelter and MK Soup. With other community facilities we closed to community groups in the middle of March 2020.

**Think Food** continues to produce freshly cooked, locally sourced healthy food. The enterprise has had a number of challenges in relation to staffing over the year which meant that whilst sales grew during the year they dipped towards the end of the financial year. The café has remained closed following lockdown in the middle of March.

## **Training**

The year has been full of positive stories of young people growing in confidence and overcoming a range of personal and educational challenges. We supported some 120 young people in the 2018/19 academic year, providing them with work experience and training as well as many activities to assist with the building of self-esteem and employability skills. All of our young people have barriers to education, employment and independent living and it continues to be very satisfying watching them learn and grow.

There was steady progress or maintenance of good levels of achievement in all areas except English Functional Skills in 2018/19. This was caused by illness of a key staff member and our failure to quickly find a suitable replacement. We also struggled with recruitment of trainees in both the 2018/19 and 2019/20 academic years leading to a failure to achieve budgeted income from training. This was one of the main factors leading to Charity's overall deficit this year.

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As a training provider we were last inspected by OfSTED in January of the 2018 financial year, their judgement was that we continued to be a 'Good' provider. In their report OfSTED noted that:

"Since the previous inspection, you have continued to provide good-quality education and training for young people in the Milton Keynes area. Many of your trainees have previously not achieved well in schools or colleges in the region.

You and your trustees have established a well-considered, strong vision for the foundation. As a result, you provide a supportive and safe learning environment in which the large majority of trainees achieve their qualifications. Managers have planned the curriculum well to give trainees the opportunity to complete English and mathematics qualifications, as well as taking part in a range of activities that develop their work skills. These help the trainees to make good progress on to their next steps. Your staff provide excellent pastoral support. This enables trainees, especially those who have achieved less well at school, to remain on their courses and overcome problems that have prevented them from achieving in the past.

Leaders and managers have maintained the strengths and successfully tackled the large majority of weaknesses identified at the previous inspection. They use well-considered plans to improve the standards in the few areas that require improvement. As a result, most trainees make good progress to further education, training or employment, including into apprenticeships and traineeships."

Achievement in vocational qualifications, maths and positive progression have remained stable or improved slightly; however there has been a disappointing fall in English achievement. This was the result of serious staff illness towards the end of the Academic year and our inability find staff cover for what was a critical period for trainee assessment.

<b>VOCATIONAL QUALIFICATIONS</b>	<b>2018/19</b> <i>[academic year]</i>	<b>2017/18</b> <i>[academic year]</i>	<b>2016/17</b> <i>[academic year]</i>	<b>2015/16</b> <i>[academic year]</i>
<b>Leavers</b>	<b>67</b>	<b>58</b>	<b>68</b>	<b>63</b>
<b>Achieved Vocational Qualification</b>	85%	81%	93%	90%

<b>FUNCTIONAL SKILLS QUALIFICATIONS (success rate)</b>	<b>2018/19</b> <b>% passed</b> <i>[academic year]</i>	<b>2017/18</b> <b>% passed</b> <i>[academic year]</i>	<b>2016/17</b> <b>% passed</b> <i>[academic year]</i>	<b>2015/16</b> <b>% passed</b> <i>[academic year]</i>
<b>Of those with an English or Maths 'learning aim'</b>				
<b>English</b>	69%	80%	75%	68%
<b>Maths</b>	85%	85%	78%	78%

### **Financial Review**

The principle funding sources of the charity are: The Education and Skills Funding Agency (ESFA); our social enterprise trading income; Milton Keynes Council for additional support for young people with special educational needs and disabilities; local schools for the provision of alternative education; ESF/Lottery and Lloyds Bank Trust grants. These fund our support for disadvantaged young people and the promotion of our social, economic, environmental and health goals of our enterprises.

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The charity made a planned loss in 2019/20 of £55,565, following surpluses in the previous two years. The Board agreed a deficit budget for the year as we sought to invest in the growth of our services and strengthen the charity's senior leadership. However the planned growth was only partially achieved and a reduction in training income, some of which was caused by our inability to recruit trainees due to the Covid pandemic, led to the deficit.

The major reduction in the charity's activity as a result of the COVID-19 had the potential to put us in an even more serious position; however we have managed to stabilise the charity's finances through a reduction in staff numbers and support from the Government's Job Retention scheme.

The main financial risk for the coming year continues to come from the impact of the COVID-19 virus. As indicated above we have benefitted from Government support, but are still vulnerable to loss of trading and training income in the event of a second wave of the virus.

We have no material liabilities in respect of pensions.

We are proposing a breakeven budget for the 2020/21, though the impact of the virus makes long term planning very challenging.

We received two significant bequests in 2019/20: a cash bequest of £10,000; and the final transfer of a property bequest valued at £200,000.

### **Reserves Policy**

The Trustees have undertaken a fundamental review of their reserves policy, taking into consideration the significant disruption to the economic landscape in 2020. The Trustees have looked at the risks facing the charity in the coming year that might impact the financial security of the charity. This has included careful examination of risks to income streams and expenditure commitments. We believe that there is an increased risk of a significant loss of income, particularly earned income from our social enterprises, resulting from the impact of Covid-19 on the economy. To this end we think that it is prudent to maintain reserves to manage in the event of a partial or complete closure. The sum of £200,000 to £250,000 is considered an appropriate level of reserves to address a significant, unforeseen reduction in income. At the year end 2019/20 the actual level of free reserves was £303,007; however it is anticipated that there may be a further small loss in the 2020/21 financial year.

### **Plans for Future Periods**

Drawn from our current Strategic Plan, the strategic priorities for the period 2020/21 are:

- Growing our social enterprises, their delivery of our community, environmental and social values, their income and the quality and range of their products and services
- Growing our engagement with the communities around us, stakeholders and local churches.
- Growing trainee numbers, exceeding ESFA contract, developing use of ESF/Lottery funding, increasing referrals from schools with a particular focus on our SEN offer
- Develop processes and staff capacity to support trainee achievement and progression, particularly trainees with SEN and mental health problems, with a focus on employability
- Develop organisational structure to strengthen strategic management and manage growth
- Development of plans for future organisational and financial sustainability

**MILTON KEYNES CHRISTIAN FOUNDATION LIMITED**  
**YEAR ENDED 31 MARCH 2020**  
**TRUSTEES' REPORT**

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**Responsibilities of the Management Committee**

The trustees (who are also directors of Milton Keynes Christian Foundation for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

**Auditors**

It was agreed at the last AGM that our existing auditors, Mercer and Hole, should be re-appointed for the coming year.

**By Order of the Board**



Mr J G Ghaleb  
Company Secretary

Date: 9.12.20



**MILTON KEYNES CHRISTIAN FOUNDATION LIMITED**  
**YEAR ENDED 31 MARCH 2020**  
**INDEPENDENT REPORT OF THE AUDITOR TO THE MEMBERS OF MILTON KEYNES**  
**CHRISTIAN FOUNDATION LIMITED**

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**Opinion**

We have audited the financial statements of Milton Keynes Christian Foundation (the 'charitable company') for the year ended 31 March 2020, which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2020, 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.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

**MILTON KEYNES CHRISTIAN FOUNDATION LIMITED**

**YEAR ENDED 31 MARCH 2020**

**INDEPENDENT REPORT OF THE AUDITOR TO THE MEMBERS OF MILTON KEYNES CHRISTIAN FOUNDATION LIMITED CONT'D**

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**Other information (continued)**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

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

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

**Responsibilities of Trustees**

As explained more fully in the Trustees' responsibilities statement set out on page 9, 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, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**MILTON KEYNES CHRISTIAN FOUNDATION LIMITED**  
**YEAR ENDED 31 MARCH 2020**  
**INDEPENDENT REPORT OF THE AUDITOR TO THE MEMBERS OF MILTON KEYNES**  
**CHRISTIAN FOUNDATION LIMITED CONT'D**

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**Responsibilities of Trustees (continued)**

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**MILTON KEYNES CHRISTIAN FOUNDATION LIMITED  
YEAR ENDED 31 MARCH 2020**

**INDEPENDENT REPORT OF THE AUDITOR TO THE MEMBERS OF MILTON KEYNES  
CHRISTIAN FOUNDATION LIMITED CONT'D**

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**Use of our report**

This report is made solely to the charitable 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 charitable 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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

*James Wooldridge*

**James Wooldridge MSc FCA**  
(Senior Statutory Auditor)

For and on behalf of

Mercer & Hole

Chartered Accountants and Statutory Auditors

420 Silbury Boulevard  
Milton Keynes  
Buckinghamshire  
MK9 2AF

Date: *14 December 2020*

**MILTON KEYNES CHRISTIAN FOUNDATION LIMITED**  
**YEAR ENDED 31 MARCH 2020**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**(INCLUDING INCOME AND EXPENDITURE ACCOUNT)**

	Note	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
<b>Income from:</b>					
Donations and legacies	3	45,764	-	45,764	238,793
Grants received	4	-	27,272	27,272	15,972
<b>Income from charitable activities</b>					
Training and housing services		445,414	24,391	469,805	479,262
Environment and development		170,051	-	170,051	223,374
Miscellaneous income		4,272	-	4,272	3,949
Investment income	5	217	-	217	240
<b>Total</b>		<u>665,718</u>	<u>51,663</u>	<u>717,381</u>	<u>961,590</u>
<b>Expenditure on:</b>					
Charitable activities	6	712,109	52,628	764,737	743,058
Governance costs	6	8,209	-	8,209	8,540
<b>Total Expenditure</b>		<u>720,318</u>	<u>52,628</u>	<u>772,946</u>	<u>751,598</u>
<b>Net income/(expenditure) and net movement in funds for the year</b>	7	(54,600)	(965)	(55,565)	209,992
<b>Reconciliation of funds</b>					
Total funds brought forward		1,456,594	2,711	1,459,305	1,249,313
<b>Total funds carried forward</b>		<u>1,401,994</u>	<u>1,746</u>	<u>1,403,740</u>	<u>1,459,305</u>

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

The accompanying accounting policies and notes form an integral part of the financial statements.

The 2019 comparative includes both restricted and unrestricted funds, a breakdown of the comparatives can be found in note 24 to these financial statements.

**MILTON KEYNES CHRISTIAN FOUNDATION LIMITED**  
**YEAR ENDED 31 MARCH 2020**  
**BALANCE SHEET**

	Notes	£	2020 £	£	2019 £
<b>Fixed Assets</b>					
Tangible assets	10		1,091,330		900,838
<b>Current Assets</b>					
Debtors	11	67,492		275,791	
Cash at bank and in hand		348,279		409,851	
<b>Total Current Assets</b>		<u>415,771</u>		<u>685,642</u>	
<b>Liabilities</b>					
Creditors: Amounts falling due within one year	12	(103,361)		(127,175)	
<b>Net Current Assets</b>			<u>312,410</u>		<u>558,467</u>
<b>Net Assets</b>			<u>1,403,740</u>		<u>1,459,305</u>
 The funds of the Charity					
Restricted Funds	18		1,746		2,711
Unrestricted Funds	17		303,007		358,537
Designated Funds	17		1,098,987		1,098,057
<b>Total Charity Funds</b>			<u>1,403,740</u>		<u>1,459,305</u>

The financial statements were approved by the Trustees at a meeting on 9.12.20  
and were signed on their behalf by:-

Mr J G Ghaleb  
Trustee

Date: 9.12.20

Mr P Sharrocks  
Trustee

Company Registration No. 01967962

**MILTON KEYNES CHRISTIAN FOUNDATION LIMITED**  
**YEAR ENDED 31 MARCH 2020**  
**STATEMENT OF CASH FLOW**

	Note	2020 £	2019 £
<b>Cash received from / (used) in operating activities</b>	22	<u>151,983</u>	<u>19,256</u>
<b>Cash flows from investing activities</b>			
Interest income		217	240
Purchase of tangible fixed assets		(212,059)	(7,799)
Proceeds from sale of tangible fixed assets		-	816
<b>Net cash used in investing activities</b>		<u>(211,842)</u>	<u>(6,743)</u>
<b>Cash flows from financing activities</b>			
Repayments of finance lease obligations		(1,713)	(9,488)
<b>Net cash used in financing activities</b>		<u>(1,713)</u>	<u>(9,488)</u>
(Decrease) / Increase in cash and cash equivalents in the year		(61,572)	3,025
Cash and cash equivalents at the beginning of the year		409,851	406,826
<b>Cash and cash equivalents at the end of the year</b>		<u><u>348,279</u></u>	<u><u>409,851</u></u>



**MILTON KEYNES CHRISTIAN FOUNDATION LIMITED**  
**YEAR ENDED 31 MARCH 2020**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

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**1. Legal status**

Milton Keynes Christian Foundation Limited is a private company limited by guarantee without share capital, incorporated in England and Wales. The registered office is Foundation House, The Square, Aylesbury Street, Wolverton, Milton Keynes, MK12 5HX. The liability of each member is limited to contributing £1 to the assets of the Charity in the event of it being wound up while a member, or within one year after ceasing to be a member.

At 31 March 2020 the number of members was 11 (2019: 12).

**2. Accounting policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

***Basis of preparation***

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Milton Keynes Christian Foundation Limited meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at the historical cost convention or transaction value unless otherwise stated in the relevant accounting policy note(s).

***Donations***

Donations are accounted for when received.

***Income recognition policies***

All accounting resources are included in the SOFA when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy, with the exception of donations which are recognised on a receipt basis. Income is deferred when a condition placed upon the Charity's entitlement to it has not yet been completed.

***Expenditure***

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources.

Support costs are those incurred directly in support of expenditure on the objects of the Charity. Governance costs are those costs incurred in connection with the administration of the Charity and compliance with constitutional and statutory requirements.

All costs have been directly attributed to one of the categories of expenditure.



**MILTON KEYNES CHRISTIAN FOUNDATION LIMITED**  
**YEAR ENDED 31 MARCH 2020**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS CONT'D**

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**Accounting policies (continued)**

**Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charitable company; this is normally upon notification of the interest paid or payable by the Bank.

**Going Concern**

COVID-19 has had a significant impact on the charitable company. It has lost around 50% of income during the lockdown period as a result of COVID-19. This has been caused by the closure of enterprises in March 2020 and the reduction in trainee starts. Just over half of staff were placed on furlough leave which has helped stabilise income and expenditure. The charitable company has, as advised by the Government, continued to provide learning and support for young and vulnerable people, as well as childcare for key workers and some enterprises have continued to generate some income. Many enterprises began to operate again from July 2020 onwards under reduced staffing levels.

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. In making this assessment, the Trustees have reviewed the cash flow forecasts of the charitable company and concluded that based on the forecasts, taking into account the possible impact of COVID-19 on activities, the mitigating actions that can be taken to control costs and the likelihood of obtaining grants, the charitable company has adequate resources to continue in operational existence for the foreseeable future. The charitable company has a healthy cash position and significant tangible fixed assets which provides the charity with sufficient reserves to manage the forecasted performance up to March 2022 including any additional uncertainty that the COVID-19 pandemic brings.

The financial statements have, therefore, been prepared on the going concern basis.

**Fixed assets and depreciation**

All tangible assets are capitalised at cost.

Depreciation is provided on all tangible assets at rates to write off the costs over their expected useful economic lives as follows:

Freehold buildings (not land)	-	2% per annum
Furniture and equipment	-	33% reducing balance
Solar panels	-	10% per annum
Property improvements	-	33% reducing balance
Motor vehicles	-	33% reducing balance

**Pensions**

The company operates a defined contribution scheme for the benefit of its employees. Contributions are included in resources expended in the year they are payable.

**Fund accounting**

Unrestricted funds are available to spend on activities that further any of the purposes of the charitable company. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the Foundation's work or for specific projects being undertaken by the Foundation.

**Debtors**

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

**MILTON KEYNES CHRISTIAN FOUNDATION LIMITED**  
**YEAR ENDED 31 MARCH 2020**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS CONT'D**

**Accounting policies (continued)**

**Cash at bank and in hand**

Cash at bank and cash in hand include cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**Creditors and provisions**

Creditors and provisions are recognised where the charitable company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

**Financial Instruments**

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at settlement value.

**3. Donations**

	2020 £	2019 £
Sew and Grow	1,013	-
Urb Farm	12,187	2,150
Foundation Centre	152	157
Think Food	37	-
Cycle Project	5	55
Seconded staff	30,000	30,000
Other	2,370	6,431
Legacy	-	200,000
	<b>45,764</b>	<b>238,793</b>

**4. Grants Received**

	2020 £	2019 £
Lloyds Bank Foundation	19,894	7,949
Urb Farm	10	3,102
Arts Council	2,436	4,721
MK Community Foundation	3,652	-
Other	1,280	200
	<b>27,272</b>	<b>15,972</b>

**5. Investment income**

	2020 £	2019 £
Bank interest received	<b>217</b>	<b>240</b>

**MILTON KEYNES CHRISTIAN FOUNDATION LIMITED**  
**YEAR ENDED 31 MARCH 2020**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS CONT'D**

**6. Expenditure**

Total resources expended:

	Training	Development, Projects & Other	Governance	2020	2019
	£	£	£	£	£
<b>Cost directly allocated to activities</b>					
Staff costs	178,447	270,410	-	448,857	445,060
Materials / resources	18,653	80,169	-	98,822	92,580
Recruitment	1,012	2,063	-	3,075	4,762
Travel	712	16	-	728	1,102
Volunteer expenses	-	33	-	33	28
Audit and accounts fees	-	-	4,600	4,600	4,980
Depreciation	-	13,913	-	13,913	12,417
<b>Support costs allocated to activities</b>					
Premises	22,202	18,166	-	40,368	43,265
Management	12,059	16,581	1,507	30,147	30,067
General office & finance staff	13,696	15,218	1,522	30,436	24,296
Communications	5,793	5,213	580	11,586	8,698
Legal & Professional	2,942	2,942	-	5,884	-
Depreciation	2,679	4,975	-	7,654	7,560
Bank charges	839	280	-	1,119	483
Other	41,648	34,076	-	75,724	76,300
<b>Total expenditure</b>	<b>300,682</b>	<b>464,055</b>	<b>8,209</b>	<b>772,946</b>	<b>751,598</b>

**7. Net movement in funds**

This is stated after charging

	2020 £	2019 £
Amounts payable to the auditors in respect of audit services	4,600	4,980
Depreciation	21,567	19,976

**MILTON KEYNES CHRISTIAN FOUNDATION LIMITED**  
**YEAR ENDED 31 MARCH 2020**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS CONT'D**

**8. Staff numbers and costs**

No Trustees held a contract of employment with the Charity during the year. Under the Memorandum of Association, the Trustees are not entitled to receive any remuneration from the Charity. Neither do they receive any reimbursements of expenses incurred when travelling to, or engaged upon, the business of the Charity.

The Trustees neither received nor waived emoluments during the year (2019: £nil). Expenses of £nil (2019: £nil) were reimbursed to Trustees for expenses incurred on behalf of the Charity.

The average number of persons employed by the Charity during the year, analysed by category, was as follows:

	2020	2019
Administration	2	2
Training officers and support staff	30	29
	<b>32</b>	<b>31</b>

The aggregated payroll costs of these persons were as follows:

	2020 £	2019 £
Wages and salaries	469,687	447,748
Social security costs	25,014	24,855
Pension costs	9,994	10,828
	<b>504,695</b>	<b>483,431</b>

No employee received emoluments of more than £60,000.

**9. Taxation**

There is no charge to corporation tax in these financial statements as the Charity has gained exemption due to application of trading profits to the purpose of the Charity.

**MILTON KEYNES CHRISTIAN FOUNDATION LIMITED**  
**YEAR ENDED 31 MARCH 2020**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS CONT'D**

**10. Tangible fixed assets**

	Freehold property	Improvements to property	Motor vehicles	Furniture and equipment	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 April 2019	950,000	55,713	33,062	170,501	1,209,276
Additions	200,000	-	-	12,059	212,059
Disposals	-	-	-	-	-
At 31 March 2020	<u>1,150,000</u>	<u>55,713</u>	<u>33,062</u>	<u>182,560</u>	<u>1,421,335</u>
<b>Depreciation</b>					
At 1 April 2019	75,888	54,918	25,787	151,845	308,438
Charge for the year	7,654	262	2,426	11,225	21,567
Disposals	-	-	-	-	-
At 31 March 2020	<u>83,542</u>	<u>55,180</u>	<u>28,213</u>	<u>163,070</u>	<u>330,005</u>
<b>Net Book Value</b>					
At 31 March 2020	<u>1,066,458</u>	<u>533</u>	<u>4,849</u>	<u>19,490</u>	<u>1,091,330</u>
At 31 March 2019	<u>874,112</u>	<u>795</u>	<u>7,275</u>	<u>18,656</u>	<u>900,838</u>

Included in freehold property is land valued at £633,333 that has not been depreciated.

The net book value of tangible fixed assets includes £4,849 (2019: £7,275) in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £2,426 (2019: £3,639) for the year.

**11. Debtors**

	2020 £	2019 £
Trade debtors	37,710	66,296
Other debtors	1,600	200,967
Prepayments and accrued income	28,182	8,528
	<u>67,492</u>	<u>275,791</u>

**MILTON KEYNES CHRISTIAN FOUNDATION LIMITED**  
**YEAR ENDED 31 MARCH 2020**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS CONT'D**

**12. Creditors: amounts falling due within one year**

	2020 £	2019 £
Trade creditors	7,280	19,337
Taxation and social security costs	1,129	4,823
Other creditors	8,508	7,766
Accruals and deferred income	86,444	93,536
Finance lease obligations	-	1,713
	<u>103,361</u>	<u>127,175</u>

**13. Deferred Income**

	2020 £	2019 £
Balance as at 1 April 2019	87,045	33,455
Amounts released to income earned from charitable activities	(63,311)	(19,383)
Amount deferred in year	<u>56,670</u>	<u>72,973</u>
Balance as at 31 March 2020	<u>80,404</u>	<u>87,045</u>

**15. Finance lease obligations**

	2020 £	2019 £
Future minimum lease payments due under finance leases:		
Within one year	-	1,713
In two to five years	<u>-</u>	<u>-</u>
	<u>-</u>	<u>1,713</u>

Finance lease payments represent rentals payable by the company for two vans. The lease term was for 3 years and ended on 16 June 2019.

**16. Defined contribution schemes**

	2020 £	2019 £
Charge to profit or loss in respect of defined contribution schemes	<u>9,994</u>	<u>10,828</u>

**MILTON KEYNES CHRISTIAN FOUNDATION LIMITED**  
**YEAR ENDED 31 MARCH 2020**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS CONT'D**

**17. Analysis of movements in unrestricted funds**

	Unrestricted Free reserves £	Designated legacy	2020 Designated fixed assets £	Total unrestricted funds £	2019 Total unrestricted funds £
Balance at beginning of year	358,537	200,000	898,057	1,456,594	1,245,104
Net movement of funds	(55,530)	(190,871)	191,801	(54,600)	211,490
Balance at end of year	303,007	9,129	1,089,858	1,401,994	1,456,594

The designated legacy brought forward related to a debtor balance for a property bequeathed to the Charity in the prior year. This property (£200k) was transferred to tangible fixed assets when MKCF become title holders in September 2019. The year end designated legacy balance of £9k relates to a separate bequest made to MKCF of £10k. This has been designated for use on the Urb Farm enterprise, of which £1k of expenditure was incurred in the year.

**18. Analysis of movement in restricted funds**

	Balance brought forward £	Amounts received in the year £	Amounts spent in the year £	Balance carried forward £
Think Food	491	-	(164)	327
Shaw Grant	130	-	(49)	81
Tipi Pledge	1,718	-	(573)	1,145
Arts Council Grant	-	2,436	(2,436)	-
Lloyds Bank Grant	-	19,894	(19,894)	-
MK Comm. Found. – Preserves	213	-	(20)	193
MK Comm. Found. – Library	159	-	(159)	-
MK Comm. Found. – S Snook	-	3,652	(3,652)	-
WTGC Grant - Blue Cabin	-	10	(10)	-
WTGC Grant - Interactive Board	-	1,280	(1,280)	-
ESFA Bursary	-	24,391	(24,391)	-
	2,711	51,663	(52,628)	1,746

The nature of each restricted fund is briefly described below:

**Think Food** - £4,343 awarded by MK Community Foundation in March 2014 for kitchen equipment which they supplied from MK Community Properties. The funds are being released in line with the depreciation of the acquired kitchen equipment.

**Shaw Grant** - a grant awarded for £500 from councillor Shaw for the Urb Farm.

**Tipi Pledge** - a crowd funding appeal to purchase a Tipi for the Forest School and a container to store equipment at the Urb Farm. The funds are being released in line with the depreciation of the items purchased.

**Arts Council Grant** - a grant awarded for £11,000, of which £8,000 has been received to date. The funds are being drawn down as expenditure covered by the grant is incurred.

**Lloyds Bank Grant** - a grant awarded for £63,000 to be spent over 3 years and it is being drawn down to match expenditure according to the terms of the grant.

**MILTON KEYNES CHRISTIAN FOUNDATION LIMITED**  
**YEAR ENDED 31 MARCH 2020**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS CONT'D**

**MKCF Preserves Grant** - £1,323 awarded to the Urb Farm by MK Community Foundation to fund equipment to make our own preserves and chutneys for resale.

**MKCF Library** - £200 awarded by MK Community Foundation in Aug 2018 for us to spend creating a library in the concourse of Foundation House.

**MKCF S Snook** - £4,000 awarded by MK Community Foundation in June 2019 to cover staff costs for an Urban Believers Enterprise Leader and a seasonal beekeeper.

**WTGC Blue Cabin** - grant awarded by Wolverton & Greenleys Town Council in April 2017. Expenditure was spent on the Blue Cabin during the year ended 31 March 19 and was claimed in April 19.

**WTGC Interactive Board** - £1,400 grant awarded by Wolverton & Greenleys Town Council in January 2019. The grant is to be awarded in arrears when expenditure has been made and this grant was designated to fund the purchase of an Interactive Whiteboard and other Maths resources.

**ESFA Bursary** - this is funding from the government for a vulnerable students bursary and the maths pilot. The funds are being drawn down to match the relevant expenditure according to the ESFA terms.

**19. Analysis of net assets between Funds**

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	1,089,858	1,472	1,091,330
Current assets	345,093	70,678	415,771
Liabilities	(32,957)	(70,404)	(103,361)
Balance at end of year	1,401,994	1,746	1,403,740

**20. Financial commitments**

At 31 March 2020 the Charity was committed to making the following payments under non-cancellable operating leases:

	2020		2019	
	Other £	Land and buildings £	Other £	Land and buildings £
Operating leases which expire:				
Less than one year	-	-	-	5,950
Between two and five years	-	-	-	1,950
After five years	-	-	-	-
	-	-	-	7,900



**MILTON KEYNES CHRISTIAN FOUNDATION LIMITED**  
**YEAR ENDED 31 MARCH 2020**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS CONT'D**

**21. Related party relationships and transactions**

During the year, the Charity received donations from trustees of £370 (2019: £170). The Charity also sold goods of £22 (2019: £nil) to trustees during the year.

During the year the Charity sold services of £21,327 (2019: £22,499) to, and purchased services amounting to £3,241 (2019: £4,311) from Milton Keynes YMCA Limited. The amount owed to Milton Keynes YMCA Limited at the year end amounted to £265 (2019: £236) and the amount owed from Milton Keynes YMCA Limited amounted to £1,906 (2019: £1,777).

These companies were related through mutual directorship.

Both Svetla Stallwood and her husband, David Stallwood, are shareholders of DMS Network Solutions. Goods and services purchased during the year from DMS Network Solutions totalled £1,086 (2019: £2,840) of which £nil (2019: £126) remained outstanding at the year end.

**22. Reconciliation of net movement in funds to net cash flow from operating activities**

	2020 £	2019 £
Net movement in funds	(64,694)	209,992
<b>Adjustments for:</b>		
Depreciation	21,567	19,976
Deduct interest income classified under investing	(217)	(240)
Deduct gain on disposal of tangible fixed asset	-	(223)
<b>Movement in working capital:</b>		
Decrease/(increase) in debtors	208,299	(214,785)
Increase/(decrease) in creditors	(12,972)	4,536
<b>Net cash (used in) / from operating activities</b>	<b>151,983</b>	<b>19,256</b>

**23. Analysis of changes in net funds**

	1 April 2019 £	Cash flows £	Non-cash changes	31 March 2020 £
Cash at bank and in hand	409,851	(61,572)	-	348,279
Finance lease obligations	1,713	(1,713)	-	-

**MILTON KEYNES CHRISTIAN FOUNDATION LIMITED**  
**YEAR ENDED 31 MARCH 2020**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS CONT'D**

**24. Comparative Funds**

	Unrestricted Funds	Restricted Funds	2019 Total
	£	£	£
<b>Income from:</b>			
Donations and legacies	238,793	-	238,793
Grants received	-	15,972	15,972
<b>Income from charitable activities</b>			
Training and housing services	468,745	10,517	479,262
Environment and development	223,374	-	223,374
Miscellaneous income	3,949	-	3,949
Investment income	240	-	240
<b>Total</b>	<b>935,101</b>	<b>26,489</b>	<b>961,590</b>
<b>Expenditure on:</b>			
<b>Costs of raising funds</b>			
Expenditure to further the Charity's objects	715,071	27,987	743,058
Governance costs	8,540	-	8,540
<b>Total</b>	<b>723,611</b>	<b>27,987</b>	<b>751,598</b>
<b>Net (Income) / expenditure and net movement in funds for the year</b>	<b>211,490</b>	<b>(1,498)</b>	<b>209,992</b>
Transfers between funds	-	-	-
<b>Reconciliation of funds</b>			
Total funds brought forward	1,245,104	4,209	1,249,313
<b>Total funds carried forward</b>	<b>1,456,594</b>	<b>2,711</b>	<b>1,459,305</b>