



Milton Keynes Community Foundation Limited

(a company limited by guarantee)

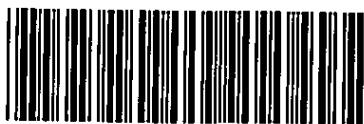
Trustees' annual report and financial statements of the Group

31 March 2012

Registered company number 2032715

Registered charity number 295107

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Trustees' report and financial statements of the Group

Contents

	Page
Chair's Report	2
Trustees' Annual Report	3
Statement of Trustees' Responsibilities	16
Independent Auditor's Report to the Members of Milton Keynes Community Foundation Limited	17
Group Statement of Financial Activities	19
Group Balance Sheet	20
Milton Keynes Community Foundation Limited Balance Sheet	21
Notes to the Financial Statements	22

Chair's Report

2011/12 has not come without its challenges, due to the difficult economic climate and uncertainty in voluntary sector funding, but I am glad to report that not only has our support for the community continued, we have also introduced new schemes to reflect the changing environment

One of the highlights of the year for me was our 25th Birthday Awards Evening, with members of the voluntary sector and our donors at the Woburn Sculpture Galley. We celebrated the achievements of individuals and local organisations that have had such a huge impact on our community over the past 25 years, and received pledges amounting to nearly £50K on the night for our 25th Birthday Fund. In total, £52,296 has been raised for that fund, which will enable us to provide more for the community through our grants programme. Also as part of commemorating our anniversary, we awarded two STEP Grants of £25,000 each. The recipients of these two special awards were Camphill Community Milton Keynes and MK SNAP.

Following a pilot in 2010, we launched our Surviving Winter Campaign in October 2011, to help older people and vulnerable people throughout the winter months. We worked in partnership with local agencies: Age UK Milton Keynes, SAFFA, YMCA Milton Keynes's Winter Night Shelter and Milton Keynes Foodbank, providing funds for food, shelter, bedding and clothing for some of the most vulnerable in our community. This campaign was successful because of the generosity of people in our community.

Our support of the Arts continues via our Arts Fund which contributes to the vibrancy of our city. We awarded our third annual Arts Bursary to Ben Westlake, a talented local young musician, to continue his professional development. In addition to this, we awarded the Adams Crafts Scholarship shared by conservationist Eleanor Moorhead and stonemason Hannah Vere, and the Adams Crafts Bursary to blacksmith Nicholas Packham. Our continued commitment via our grant making programme to the voluntary sector in these challenging times is essential, and we continue to explore new initiatives that will increase our support, including a new online project called Localgiving.com. We were also successful in securing additional money from the Government on the understanding that we matched it pound for pound with local donations. The Board of Trustees were delighted by the hard work of the executive and the many people in our community who responded with donations, so that an additional £1,242,721 in endowment was secured. That will provide additional money for grants in perpetuity. In total we have awarded £470,888 in grants and have enabled local groups to raise £36,202 for themselves online through Localgiving.com.

Our plans for 2012/13 are equally as ambitious. In March we launched our Jubilee Fund at a successful International Women's Day Lunch. This new initiative will celebrate The Queen's Diamond Jubilee, recognising her support of local communities, and create a lasting legacy that will provide funds for many good causes for our community. In addition to this, we are marking the 2012 London Olympics by creating a Sports Fund and awarding Sports Bursaries which will support and nurture local sporting talent.

As this is my final year as Chair, I would like to acknowledge with gratitude the help and support my fellow Trustees and I receive from our Honorary Structure, our President, Vice Presidents and Ambassadors for promoting the values of the Foundation, the Community Representatives sitting on our grants panels who give willingly their precious time and expertise, members of our staff whose dedication to duty and cheerfulness has made my term as Chair so enjoyable, and last but not least, the many corporate and private donors without whose philanthropy, none of our achievements would be possible.

Peter Kara

Chair of Trustees

Trustees' annual report

Reference and administrative information

<u>Charity Registration Number</u>	295107
<u>Company Registration Number</u>	2032715
<u>Principal Office</u>	Acorn House 381 Midsummer Boulevard Central Milton Keynes MK9 3HP
<u>Website</u>	www.mkcommunityfoundation.co.uk

<u>Investment Managers</u>	<u>Auditors</u>	<u>Solicitors</u>
Newton Investment Management Limited Mellon Financial Centre 160 Queen Victoria Street London EC4V 4LA	Grant Thornton UK LLP Grant Thornton House 202 Silbury Boulevard Central Milton Keynes MK9 1LW	emw law Seckloe House 101 North 13 th Street Central Milton Keynes MK9 3NX
<u>Property Manager</u> Hornbeam Limited Regus House Fairbourne Drive Atterbury Lakes Milton Keynes MK10 9RG		Geoffrey Leaver 251 Upper Third Street Bouverie Square Central Milton Keynes MK9 1DR

Directors and trustees

The directors of the charitable company (the Community Foundation) are its trustees for the purposes of charity law and throughout this report are collectively referred to as the trustees

Richard Brown	
Philip Butler	(Appointed 22 September 2011)
Judith Hooper	(Re-appointed 22 September 2011)
Peter Kara	(Chair of Trustees) (Re-appointed 22 September 2011)
Roger Kitchen	
Fola Komolafe	(Re-appointed 22 September 2011)
Jane Matthews	
Michael Murray DL	
John Moffoot MBE	(Appointed 22 September 2011)
Stephen Norrish MBE	(Deputy Chair) (Re-appointed 22 September 2011)
Peter Selvey	(Treasurer)
Francesca Skelton DL	
Ruth Stone	
Senior Executive	
Julia Upton	Chief Executive
Maya Hussain	Director of Marketing and Fund Development
Bart Gamber	Grants Director
Laura Keen	Finance Director

Trustees' annual report *(continued)*

The trustees have pleasure in presenting their annual report and audited financial statements for the year ended 31 March 2012

The financial statements comprise the group accounts of Milton Keynes Community Foundation (the "Community Foundation") and its wholly owned subsidiary, MK Community Properties Ltd. These statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the requirements of the Companies Act 2006 and the Statement of Recommended Practice 2005 (Accounting and Reporting by Charities)

The accounts on pages 19 to 44 incorporate all the various funds within the Community Foundation. An analysis of the group income and expenditure between the various funds is provided in note 20.37

Objectives and Activities

The objects of the Community Foundation are defined in its Memorandum and Articles of Association, allowing the trustees to make grants out of capital and income to voluntary groups, charities and individuals who support people within the Milton Keynes unitary authority area. The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Community Foundation's aims and objectives and in planning future activities and setting the grant making policy for the year. As a result of our EGM held on 17 December 2009 we are now able to provide fund holders with the opportunity to direct a small percentage of their funds outside the Milton Keynes Unitary Authority area.

The Community Foundation aims to distribute funds to those in most need, including projects working with poverty, ill health, disability and other disadvantaged groups. The Community Foundation is pleased to consider any application that will benefit people in the Milton Keynes unitary authority area. As long as the applicant is undertaking charitable work, they do not need to be a registered charity.

The Community Foundation's wholly-owned trading subsidiary company, MK Community Properties Ltd, is a property ownership and management company. Its aim is to support the Voluntary Sector in Milton Keynes, either through subsidised accommodation or indirectly through its surplus income from commercially let properties, which contributes towards the Community Foundation's grant making programme.

A number of different types of grant are available from the Community Foundation, as follows:

Small Grants for sums up to £1,500 and **Community Grants** for sums up to £5,000. In exceptional circumstances the Community Foundation may award larger grants for significant projects dependent on needs and priorities.

As a result of the success of the **STEP Grants** awarded in 2011/12, we are delighted to be able to offer two further STEP Grants in the coming year. These are designed to help two Milton Keynes based charities develop and come through this difficult economic period, better prepared to face the future and offer services and support for local people. One grant is open to all charities and the other, coming from the Margaret Powell Fund, is specifically for those working with frail older people and people with disabilities.

In order to provide broader funding in targeted areas, the Community Foundation launched Partnership Funds in April 2008. Working with Milton Keynes Art Association and Sport MK these funds were used to distribute annual awards to small groups within each field. Drawing on the expertise of these two organisations, Partnership Funds enabled the Community Foundation to reach a wider range of groups most in need of resources. As a result of the fact that we are now able to award grants to individuals, funding for the arts is being taken back in house. Sports funding will continue to be awarded through Sport MK.

In November 2010 the Community Foundation applied to take part in the Community First Endowment Match Challenge. In March 2012 it was confirmed that we were successful and since then we have been seeking to raise additional funds for the Endowment Challenge on behalf of the Office of Civil Society. This program will run until 31 March 2015. So far we have been able to match donations totalling £621,360 creating an endowed fund of £1,242,721 which can be built upon over the next three years of the programme.

During 2011/12 the Community Foundation became part of Local Giving. This nationwide project provides local voluntary organisations with the opportunity to create a web page on the Local Giving web site and use this to raise funds for their group. At 31 March 2012, 49 local groups have taken advantage of this exciting new facility and have raised £58,674 between them. In February 2012 we were awarded a grant of £47,000 from the Social Action Fund to enable us to employ a dedicated team for 12 months to help more groups get involved.

The Community Foundation also has a number of community representatives who, with the trustees, make decisions on grant awards. Representatives serve for a maximum of three years, and the Community Foundation reviews the representatives annually to ensure that we continue to draw from a wide range of people, be it at grassroots level, the voluntary sector, professionals or specialists. The uniqueness of a representative is the combination of impartiality, experience and expertise that they bring to the decision-making process. There are currently 13 community representatives who participate in the decision-making process in the Community Foundation's grants committees. The Community Foundation is aware that it faces a number of new challenges in both the short and long term due to the future expansion plans for Milton Keynes arising from both the government's Growth Agenda proposals and the development of Central Milton Keynes. In particular, it is projected that these expansion plans will result in the emergence of additional voluntary and community organisations in Milton Keynes by 2016. To address the challenges this expansion will pose and the downturn in the economy, the Community Foundation developed a new three year strategic framework in 2011.

In this critical time of change and growth for Milton Keynes, this strategic framework identified three key Aims as follows:

- Inspiring philanthropy in people and organisations to support our local communities
- Championing the work and changing needs of our voluntary sector
- Providing long term support through our grant-making and property portfolio

In addition to the above aims, five Objectives have been outlined:

- To be the beacon for philanthropy in our community
- To create responsive, diverse and flexible resources to support the community to enable it to grow and flourish
- To understand the critical issues that affect our community
- To make connections with and between stakeholders and identify solutions to meet the needs of the community
- To provide leadership and influence to support the voluntary sector particularly during these challenging times

To achieve our Aims and Objectives over the next three years we will:

- Commit to an annual fund development target
- Diversify our philanthropy offer to the community to encompass both endowment and flow through products
- Develop propositions for donors to provide them with solutions, provide the 'theory of change' model to fund holders
- Commit to a minimum annual grant-making budget for the next three years, whilst the local Voluntary and Community Sector (VCS) repositions itself to cope with the changes in funding and the economic climate
- Innovate and identify new ways to use and develop our property portfolio so we provide a responsive, diverse and vibrant property offer to support the community
- Prioritise support for organisations that are sustainable, who will meet the fundamental needs of our community

- Influence stakeholders to identify solutions and their role in supporting community issues
- Increase our profile across the unitary authority area and key networks

In March 2012 the Board of Trustees reviewed the activities over the previous twelve months. It was reported that during the first year of the plan the Community Foundation had

Fund Development & Communications

- Developed the work of our Honorary Structure to both engage the community and develop community philanthropy
- Held a large 25th Birthday Celebration event for donors and the voluntary sector at Woburn Sculpture Gallery raising over £50,000 on the night towards our birthday fund
- Secured funding for a three year philanthropy program in conjunction with three other Thames Valley Community Foundations to develop a Philanthropy Fellowship in the region
- Secured a new four year endowment match programme and matched £621,360 in the first year to create an endowed fund of £1,242,720
- Set up 1 new family fund and 4 new corporate funds
- Secured two Comic Relief large grants for local groups
- Re-engaged with Sport Relief to ensure that Community Cash grants would be available for Milton Keynes in 2012/13
- Brought 49 local groups onto localgiving.com and secured funding for two members of staff to be employed on a 12 month contract to bring the benefits of local giving to more groups in Milton Keynes

Property Company

- Attended three community engagement events with Parish and Town Councils to keep them informed about Community Reserve Sites (CRS) in their area
- Continued the review of our processes for organisations applying for CRS
- Implemented a revised procedure for Voluntary and Community Sector (VCS) organisations to apply for accommodation at a subsidised rent in order to align it with our grant application process
- Updated the website to include Property subsidy offer and application forms
- Recruited a Property Asset Manager to develop property plans and advise on property investments
- Established outline plans to further develop Acorn House and have identified an architect and developer
- Began investigating restructuring the property company to better suit our current way of working and to enable us to undertake our plans for the property portfolio in the most effective manner

Acorn House

- Installed a new server along with state of the art fibre optic internet access, following a review of the IT provision. Skype is now available for video conferencing in the Conference Suite
- Developed a new recycling area to enable tenants to recycle their waste more easily
- Worked with existing tenants who wish to relinquish or take on extra space
- Converted empty office space into temporary meeting rooms to utilise the empty space and meet the growing demand for affordable meeting rooms
- Created a further 4 small business units making a total of 11, all of which are occupied, confirming the success of this initiative. These units are available for small organisations from any sector that are not in a position to commit to a long lease
- Hosted a variety of exhibitions in the new Gallery Space on the ground floor, and adapted the Café to enable it to be used for hire outside of its usual hours

Trustees' annual report (*continued*)

Grants

- Launched new STEP grants and were able to award 2 during the year. The awards process was done in conjunction with a public vote allowing over 2,000 people to participate in the selection process
- Began a program of seminars and workshops for local groups to find out more about joining localgiving.com and helped 49 groups get on line and participate in the March Match Challenge raising over £35,000 in one day
- Liaised between Comic Relief and the Food Bank to help them secure £30,000 of funding to launch a mobile Food Bank service in Milton Keynes
- Liaised between Comic Relief and Open Door to help them secure £30,000 that will expand their ability to provide critical support to vulnerable and homeless people in Milton Keynes
- Facilitated (and assessed) funding applications from a number of local groups to the national Community Development Foundation last year, these secured a total of £146,000 of funding for three groups in Milton Keynes. This will fund work with survivors of domestic abuse, the rehabilitation of people struggling with addiction and critical work with vulnerable and marginalised young people
- Awarded the 2011 Arts Bursary and Traditional Arts and Crafts Bursary with a joint event to announce the winners being held at the Milton Keynes Gallery. Work was undertaken on launching further Bursaries in 2012/13, specifically surrounding Music and Sports
- Commenced work on the Vital Signs pilot which will be completed during 2012/13

Governance

- Recruited two new Trustees to add further skills to the Board

Trustees' annual report (*continued*)

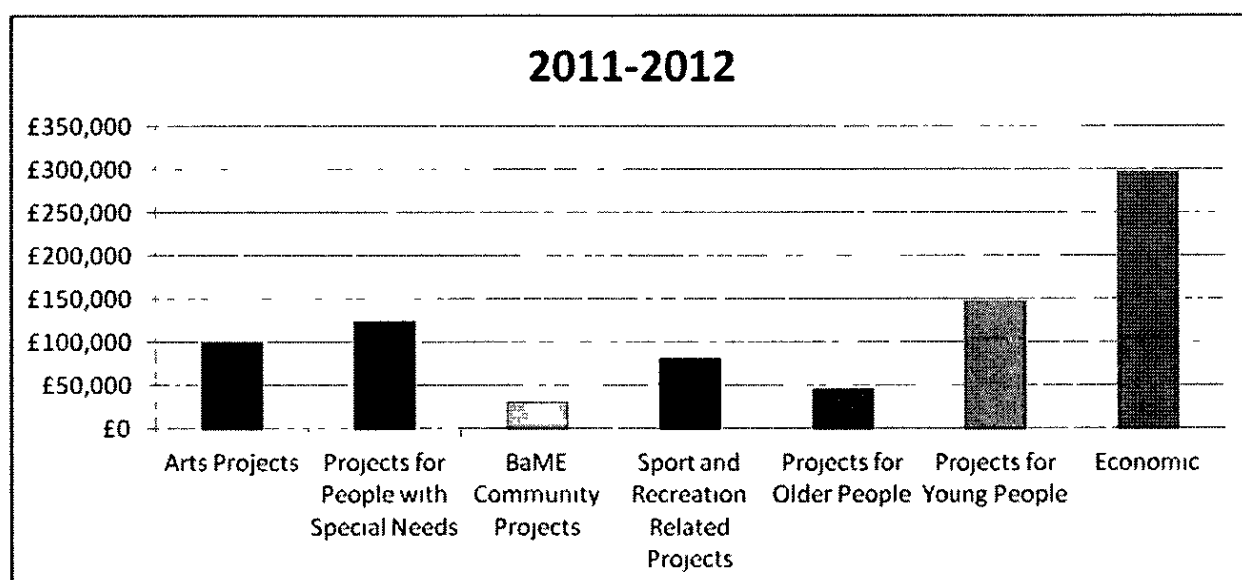
Achievements and Performance

Total support provided by the Community Foundation to the Voluntary and Community sector during the financial year ended 31 March 2012 totalled £1,101,496 (2011 £1,056,074)

Grant Making

The amount of £470,888 (2011 £469,691) was awarded in grants by the Community Foundation during the year. The grants awarded in the year ended 31 March 2012 were in the themed areas shown in the chart below

Themed areas of grants awarded



This level of grant making enabled funding to be provided to 162 local organisations in order to support 229 projects that covered a wide range of initiatives in Milton Keynes during the year to 31 March 2012. In addition 16 grants were awarded to individuals within the local arts community.

The level of grant making achieved during the year means that the Community Foundation has now awarded in excess of £8m in grants since 1986.

In addition, £36,202 was distributed to local groups through the Local Giving Project.

Trustees' annual report (continued)

MK Community Properties Ltd

The Community Foundation's subsidiary company, MK Community Properties Ltd, has continued to provide support to the Voluntary and Community sector in Milton Keynes either through subsidised accommodation or indirectly by gifting surplus income to the Community Foundation to support its grant making programme

The property portfolio comprises approximately 199,353 square feet of accommodation to be let along with 46 Community Reserve Sites. As at 31 March 2012, void space within the portfolio totalled 3320 square feet (2011 4,152 square feet) and, therefore, 98.3% (2011 97.9%) of the total portfolio is currently let. This, together with CRS sales, has meant the trading profit of the Property company for the year amounted to £318,242 (2011 £314,412) and under the terms of gift aid a payment of £300,000 (2011 £300,000) has been made on account to the Community Foundation in respect of the year.

This has also enabled the Community Foundation, through its trading subsidiary, to support the Voluntary and Community sector by providing accommodation on preferential terms. The amount of this subsidy, the difference between the full commercial rental and the subsidised rent paid by 34 Voluntary and Community sector tenants was in excess of £547,000 (2011 £538,000) per annum for the year to 31 March 2012.

Donations Received

During the year to 31 March 2012 voluntary income received by the Community Foundation totalled £1,698,474 (2011 £836,114).

The Community Foundation in line with its Strategic Framework has continued to promote philanthropy and work closely with its donors to create new endowed and flow through funds. This has resulted in the creation of seven new donor-restricted funds as well as the two Grassroots funds. The promotion of philanthropy is central to our fund development work to enable the Community Foundation to meet the needs of the community now and in the future.

Acorn House Flagship Building

To maximise the potential of the new facilities that were created in Acorn House in 2005, the focus has been to widely promote and manage the resources available to existing and start-up groups and organisations. In this financial year 370 events took place in the conference and training suite (2011 293). Due to the difficult economic climate, space has become available within Acorn House which has been utilised by the Acorn House Team to provide additional flexible facilities for the community until new tenants can be found.

Community Reserve Sites

It is the intention of the Property Company to retain its portfolio of properties and manage all aspects of its property dealings in accordance with the aims and aspirations of the Community Foundation.

Three sites are reserved for community development, Coffee Hall 1 to The Milton Keynes Muslim Association who have secured planning approval subject to completion of a s106 Agreement (reservation expires 31 August 2013), Fishermead 9B to Sri Lankan Muslim Foundation who are awaiting a planning decision (reservation expires 16 October 2013), and Granby which is reserved by KSI Muslim Community (reservation expires 8 October 2013).

Trustees' annual report (continued)

Financial Review

During the financial year ended 31 March 2012 the Community Foundation generated a net surplus before other recognised gains and losses of £1,096,272 (2011 £424,730)

Despite revaluation losses at 31 March 2012 of £260,017, the total value of the Community Foundation's funds has increased to £10,002,800 (2011 £9,166,545) This level of funds continues to ensure sustainability and enables the Community Foundation to continue to support the growing local community in as many ways as possible

Incoming Resources

The Community Foundation's income is primarily derived from five sources voluntary income and income from activities generating funds (namely cash donations received, gifts in kind and income from events), funding from government agencies, administration grants, investment income and the net income of MK Community Properties Ltd Each of these sources of income is subject to different drivers

The income received by the Community Foundation in the year ended 31 March 2012 totalled £2.8m (2011 £1.9m), which is an improvement on the previous year as a result of better returns from the property company subsidiary

Resources Expended

Out of the 413 applications received by the Foundation, 229 grants were awarded (2011 252 grants awarded) totalling £470,888 (2011 £469,691) providing support to 162 local charities and voluntary and community organisations and 16 individuals Of these awards, £105,608 remained unpaid at the year-end (2011 £85,939) In addition, £36,202 was distributed to local groups through the Local Giving Project

The Group's total operating costs continue to be closely monitored, and for the year ended 31 March 2012 amounted to £1,134,899 (2011 £1,056,204)

Excluding the income generated from sales of Community Reserve Sites property trading costs absorbed 61p of every £1 raised from property income (2011 70p of every £1) This is as a result of the increased occupancy within the property portfolio

Investments

The group's investments were valued at the year-end at £5,168,754 (2011 £4,092,973) The majority (62.2% of year end value) of these investments were held in the segregated fund managed by the investment managers Newton Investment Management Ltd Direct investment in Equities formed 0.1% of the investments, 11.9% was invested in M & G Charibonds and a further 24% held by CCLA in their Charities Ethical Common Investment Fund Details of the type of investments held by the Community Foundation are set out in note 13 to the financial statements

Investment performance during the year to 31 March 2012 continued to reflect the ongoing turmoil within the EU The Community Foundation's portfolio has seen a reduction in value, largely as a result of a £120,000 withdrawal to ensure our grants for the year remained at an appropriate level, however, the overall portfolio value held up well

Trustees' annual report *(continued)*

Investments *(continued)*

The Community Foundation's investment policy remains unchanged. This provides guidance on the Community Foundation's aim in investing its funds, including its position on risk, an indication of the Community Foundation's asset allocation strategy, the benchmarks and targets by which the performance of the manager will be judged, the Community Foundation's stance on ethical investment, the balance between capital growth and income generation which is sought by the Community Foundation, and the scope of the investment powers.

The trustees have discretion to invest as they think fit and the investments held by the Community Foundation have been acquired in accordance with these powers. The investment strategy adopted is to optimise the total return from the investment portfolio whilst mitigating risk, as far as possible.

As detailed above the majority of the Community Foundation's assets are held in segregated funds managed by Newton Investment Management Ltd. The performance of the funds managed by Newton Investment Management is compared regularly with the WM Total Charity Universe (constrained by income).

As a result of continuing low level of return on cash deposits, the Trustees decided to invest the remaining Grassroots Endowment Match monies in M & G Charibonds. These are benchmarked against the FTSE British Government All Stocks Index. Under the terms of the Community First Endowment Match Challenge all funds raised under this program must be held at CCLA. Also two of the restricted donor funds were invested with Newton Investment Management Limited.

Freehold and Leasehold properties

The financial statements also include the valuation of the investment properties held by the Community Foundation's trading subsidiary, MK Community Properties Ltd. Clearly any gain on revaluation of properties cannot be spent on grants unless properties are sold, many of which are occupied by the voluntary or charitable sector. Similarly any gain on the revaluation of investments can only be realised if the investments are sold which impacts on the future investment income.

The freehold and leasehold properties were valued on 31 March 2011 by external valuers Douglas Duff, Chartered Surveyors, on the basis of open market value at existing use in accordance with the appraisal and valuation manual of the Royal Institution of Chartered Surveyors (RICS). This valuation was updated at 31 March 2012 by external valuers, Louch Shacklock.

Reserves

Since 1994 it has been the policy of the charity to hold reserves in the Community Fund totalling at least £1 million, which have not been committed or designated for any particular purpose. However, in accordance with the ethos of Community Foundations, the trustees continue to build these invested funds over and above this minimum level in order to ensure that the investment income derived from these funds would protect future beneficiaries and operations of the charity from the effects of any unforeseen variations in its income streams and underwrite a continuation in the year-on-year growth in the grants budget. In March 2012 we were successful in securing funds from the Office of Civil Society for the Community First Endowment Match Challenge. As a result of our success in raising endowment in the first period of this challenge, we have been able to build an endowment of £1,242,721 at 31 March 2012 and will be building on this further over the next three years. At 31 March 2012 the amount of unrestricted funds was £6,499,541 (2011 £7,098,579).

Trustees' annual report (continued)

Reserves (continued)

Within the unrestricted funds, the trustees have designated from the Community Fund a separate Property Fund equal in value to the properties held by the subsidiary company, MK Community Properties Ltd, together with a reserve towards the cost of future property repairs and refurbishments. It is the intention of the trustees that this fund will be maintained at levels over a 10 year period that will be sufficient to finance the repairs and refurbishment of the property portfolio that have been identified as being required in order to ensure that the property portfolio remains in a 'fit for purpose' state. A share of the investment income earned by the Community Foundation on monies held on deposit will be allocated to this reserve to be reinvested rather than being used for grant-making purposes. At 31 March 2012, this reserve amounted to £252,888.

The trustees are satisfied that the charity's assets attributable to each of its Funds are available and adequate to fulfil its obligations in relation to those funds. The trustees are confident that the Community Foundation is able to continue to meet its liabilities as they fall due for the foreseeable future and that the accounts should be prepared on the going concern basis.

Plans for Future Periods

Marketing and Fund Development

The Marketing and Fund Development (Philanthropy) team are proactively developing community philanthropy through a series of philanthropy focused activities. We are looking to enhance our offer for our community philanthropists ensuring it is a rewarding and valuable experience for all. Over the next three years we will be working with our neighbouring community foundations (Oxfordshire, Buckinghamshire and Hertfordshire) in delivering a Philanthropy Fellowship programme across the three counties. The cost of this work will be supported by a grant from the Esmée Fairbairn Foundation.

We will continue to recruit and retain our corporate and individual/family members and provide them with excellent donor care.

We have successfully achieved our targets for the first year of the Community First Endowment Challenge as well as raising an additional £600,000 of extra match challenge. We hope to achieve our targets on this challenge through the coming three years and also take up any additional match which may become available during the course of the challenge.

The focus of our fundraising for 2012/13 will be to create a Jubilee Fund to provide a grant making legacy from this historic occasion.

Meeting the Challenges of Growth

Over the next year the Community Foundation will be aiming to maximise the potential of Acorn House by

- Continuing to promote the Cafe and Gallery Space on the ground floor for displays and events
- Making available more small business units for small organisations to use on a flexible basis
- Recruiting volunteers to provide extra resource

The new Property Task Group will also be looking at opportunities we may have for redeveloping Acorn House by holding meetings with potential partners and supporters. They will also be developing a model for utilising a CRS on the Eastern Expansion area which can be rolled out and used on other sites.

Trustees' annual report *(continued)*

Meeting the Challenges of Growth *(continued)*

It is recognised that facilitating investment by the Voluntary and Community Sector in the growth areas and the further development of property expertise will become key areas of activity for the Community Foundation. We will be continuing to increase the level of awareness of Community Reserve Sites to the Voluntary and Community Sector by ensuring that all properties have the correct signage, all sites are marketed on our website including a detailed brief and interactive map.

We hope to increase the number of groups on able to raise money on local giving to 400.

As a result of our increase in activity we will be continuing our programme of recruiting interns to work along side our staff team and help deliver key projects for the organisation.

Governance and Management

The trustees have reviewed the governance structures of the Community Foundation to ensure they are appropriate and enable the Community Foundation to be a success in its next stage of development. Also, in line with its continuing commitment to ascertain best value from its professional advisers, the Community Foundation regularly undertakes a tendering process for this type of service.

In May 2005 the Community Foundation's umbrella organisation, the Community Foundation Network, announced it would be launching a Quality Mark. The Charity Commission for England and Wales views this initiative favourably, and subsequently endorsed the standards because they are of such quality to be comparable to the *Hallmarks of an Effective Charity*. In July 2010, the MK Community Foundation was reassessed as part of this standard and achieved an exemplary performance in donor services and fund development. Our next assessment is due in 2013.

The recruitment and retention of staff remains a challenge as skilled employees are in high demand in Milton Keynes. Indeed the resource of staff time presents a real challenge for the current team in this second major stage of the development of Milton Keynes, especially for the Chief Executive. Day to day operational issues need to be balanced with the time taken to engage in the long term strategic issues for the community and its Voluntary Sector in this vital planning stage for the expansion of Milton Keynes.

Structure, governance and management

Milton Keynes Community Foundation Limited is a company limited by guarantee and a registered grant making charity. Milton Keynes Community Foundation was established in 1986 and is principally engaged in the promotion of any charitable purpose for the benefit of the community in the Milton Keynes unitary authority area. The Community Foundation also has a wholly owned trading subsidiary, MK Community Properties Ltd. The subsidiary company is a property ownership and management company whose aim is to support the charitable objectives of its parent undertaking, the Community Foundation.

The Community Foundation is governed by its Memorandum and Articles of Association. The Articles of Association define those who sit on the Board of the Community Foundation as trustees. The Articles of Association state that the trustees have the power to admit members to the Community Foundation. As set out in the Articles of Association, the Board of Trustees shall comprise not less than five and not more than twenty members. At each Annual General Meeting one third of the Trustees shall retire by rotation but they shall be eligible for re-election provided that they are not otherwise disqualified under the conditions set out in the Articles of Association.

Anyone wanting to become a Trustee must apply in writing and is subject to the Community Foundation's recruitment procedures before becoming eligible for election as a Trustee.

Trustees' annual report (continued)

Trustee recruitment, induction and training

As set out above, trustees of the Community Foundation are either invited to join the Board or can be nominated by a member of the Community Foundation. All appointments as trustees are confirmed at the Community Foundation's general meeting. The Community Foundation has reviewed the process of recruiting trustees in order to widen the skills and expertise of the Board. Potential trustees, who can demonstrate that they have the skills and knowledge required, will be interviewed by a panel made up of Board members and involve the Chief Executive.

The Community Foundation needs an informed, skilled and enthusiastic Board of Trustees, supportive of the work of the Community Foundation and able to carry out their duties of governance under Charity Law. The Community Foundation is working towards achieving this through

- Induction – introducing new trustees to the ethos and working of the Community Foundation and to their duties in the governance of the organisation
- Identifying and providing training – an ongoing process, assessing both current and future needs as the Community Foundation develops
- Board Meetings – these are structured to encourage all trustees to become more informed on all aspects of the Community Foundation's activities and to be as fully engaged as possible

Organisation

The Community Foundation currently has 13 trustees. The trustees are responsible for ensuring the Community Foundation continues to meet its charitable objectives as set out in its Memorandum and Articles of Association. A Chief Executive is appointed by the trustees to manage the day-to-day operations of the Community Foundation. To facilitate effective operations, the Executive has delegated authority, within terms of delegation approved by the trustees, for operational matters.

The Board meets six times a year and there are sub-committees covering Finance and Audit and Grant-making, which are attended by senior members of the Executive. As well as these, time-limited task groups for specific projects are set up as and when required.

Indemnity insurance has been taken out in respect of the trustees as detailed in note 19 to the financial statements.

Related Parties

MK Community Foundation is also a member of the Community Foundation Network (CFN), an umbrella body representing Community Foundations across the United Kingdom. To retain membership of this organisation, the Community Foundation must comply with a number of criteria.

Risk Management

The trustees annually review the major risks to which the charity is exposed in order that they can ensure systems and processes have been established to mitigate those risks. In order to ensure that all key areas of risk arising from both internal and external factors have been considered, risks are classified as either Governance, Operational, Financial, Environmental and External, Legal and Regulatory or Reputational.

In the latest review, 128 risks were identified and have been evaluated in terms of potential severity of impact and likelihood of their occurrence. Of the 128 risks identified none were considered to need immediate corrective action.

Trustees' annual report *(continued)*

Funds Held as Custodian Trustee on Behalf of Others

The MK Community Foundation acts as agents for the trustees of a separate charity, The Powell Foundation, which is registered with the Charity Commission. The Community Foundation manages and administers The Powell Foundation's grants programme for which it receives an administration grant.

As at 31 March 2012, the value of The Powell Foundation's funds was £3,921,328 (2011 £3,877,889) and the investments supporting these funds are held separately with different fund managers from those employed by the Community Foundation. The performance and results of The Powell Foundation are reported separately from the Community Foundation and a separate Annual Return is submitted to the Charity Commission.

Auditors

Grant Thornton UK LLP offer themselves for reappointment as auditors.

On behalf of the board



Peter Kara
Chair

Date 13 July 2012

Registered office
Acorn House
381 Midsummer Boulevard
Central Milton Keynes
MK9 3HP

Trustees' annual report *(continued)*

Statement of trustees' responsibilities

Trustees' responsibilities for the financial statements

The trustees (who are also directors of Milton Keynes Community Foundation Limited 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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees confirm that

- so far as each trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- the trustees have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



Peter Kara
Chair

Date 23 JULY 2012

Registered office
Acorn House
381 Midsummer Boulevard
Central Milton Keynes
MK9 3HP

Independent Auditor's report to the members of Milton Keynes Community Foundation Limited

We have audited the financial statements of Milton Keynes Community Foundation Limited for the year ended 31 March 2012 which comprise the group statement of financial activities (incorporating an Income and Expenditure account), the group and 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 charitable company's members and trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and 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 charitable company and its members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 16, the trustees' (who are also the directors of Milton Keynes Community Foundation Limited 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.

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion

In our opinion, the financial statements

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2012 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- have been prepared in accordance with the Companies Act 2006 and the Charities Act 2011.

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.

Report of the Independent Auditor to the members of Milton Keynes Community Foundation Limited *(continued)*

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 1993 requires us to report to you if, in our opinion

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent charitable company 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

Grant Thornton UK LLP

David Newstead
Senior Statutory Auditor
For and behalf of Grant Thornton UK LLP
Statutory Auditor
Chartered Accountants
Central Milton Keynes

Date *23 July 2012*

Grant Thornton UK LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Group Statement of Financial Activities (Incorporating an Income and Expenditure Account)
for the year ended 31 March 2012

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2012 £	Total 2011 £
Incoming resources					
Incoming resources from generated funds					
Voluntary income	2	283,671	1,414,803	1,698,474	836,114
Activities for generating funds		33,581	-	33,581	39,711
Investment income	3	563,444	68,107	631,551	505,152
Total incoming resources from generated funds		880,696	1,482,910	2,363,606	1,380,977
Incoming resources from charitable activities – Trading subsidiary	4	458,961	-	458,961	547,863
Total incoming resources		1,339,657	1,482,910	2,822,567	1,928,840
Resources expended					
Costs of generating funds					
Costs of generating voluntary income	7	228,202	1,542	229,744	241,242
Fundraising trading costs	7	20,688	-	20,688	19,975
Investment management costs	7	333,171	197	333,368	260,560
Total costs of generating funds		582,061	1,739	583,800	521,777
Charitable activities					
Grants made		303,719	390,348	694,067	650,193
Property company trading subsidiary		294,031	-	294,031	346,919
Total charitable expenditure	8	597,750	390,348	988,098	997,112
Governance costs	7	82,539	979	83,518	82,151
Other resources expended	7	-	2,477	2,477	3,697
Total resources expended		1,262,350	395,543	1,657,893	1,604,737
Net incoming resources for the year		77,307	1,087,367	1,164,674	324,103
Fund Transfers	20	(363,464)	363,464	-	-
Adjusted incoming resources for the year		(286,157)	1,450,831	1,164,674	324,103
Realised (losses)/gains on investments		(52,935)	(15,467)	(68,402)	100,627
Net (expenditure)/income for the year		(339,092)	1,435,364	1,096,272	424,730
Other recognised gains and losses					
Unrealised (losses)/gains on investments		(5,165)	28,148	22,983	87,889
Revaluation of freehold and leasehold properties	12	(283,000)	-	(283,000)	105,500
Net movement in funds		(627,257)	1,463,512	836,255	618,119
Fund balances brought forward at 1 April		7,126,798	2,039,747	9,166,545	8,548,426
Fund balances carried forward at 31 March		6,499,541	3,503,259	10,002,800	9,166,545

All activities of the group are classed as continuing

Group balance sheet
at 31 March 2012

	Note	2012 £	2011 £
Fixed assets			
Tangible assets	12	3,875,524	4,159,521
Investments	13	5,168,754	4,092,973
		<hr/>	<hr/>
		9,044,278	8,252,494
Current assets			
Debtors	14	460,742	356,723
Cash at bank and in hand		877,145	925,782
		<hr/>	<hr/>
		1,337,887	1,282,505
Creditors Amount falling due within one year	15	(379,365)	(368,454)
		<hr/>	<hr/>
Net current assets		958,522	914,051
		<hr/>	<hr/>
Net assets		10,002,800	9,166,545
		<hr/>	<hr/>
Income funds			
Unrestricted funds			
Community	20	2,402,153	2,718,191
Designated	20	4,097,388	4,380,388
		<hr/>	<hr/>
		6,499,541	7,098,579
Restricted funds	20	3,503,259	2,067,966
		<hr/>	<hr/>
		10,002,800	9,166,545
		<hr/>	<hr/>

These financial statements were approved by the Board of Trustees on 23 July 12 and were signed on its behalf by:


Stephen Norrish MBE
Trustee


Peter Kara
Chair

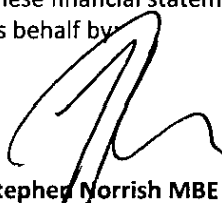
Company number 2032715

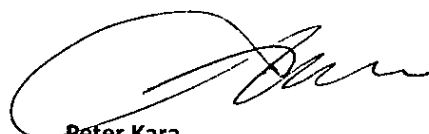
The accompanying notes form part of these accounts

Milton Keynes Community Foundation Limited balance sheet
at 31 March 2012

	Notes	2012 £	2011 £
Fixed assets			
Investments	13	5,168,754	4,092,973
Investments in subsidiary undertaking	13	400,000	400,000
		<hr/>	<hr/>
		5,568,754	4,492,973
Current assets			
Debtors	14	996,724	965,834
Cash at bank and in hand		724,735	695,700
		<hr/>	<hr/>
		1,721,459	1,661,534
Creditors: Amount falling due within one year	15	(131,265)	(107,777)
		<hr/>	<hr/>
Net current assets		1,590,194	1,553,757
		<hr/>	<hr/>
Net assets		7,158,948	6,046,730
		<hr/>	<hr/>
Income funds			
Unrestricted		3,647,760	3,978,764
Restricted		3,511,188	2,067,966
		<hr/>	<hr/>
		7,158,948	6,046,730
		<hr/>	<hr/>

These financial statements were approved by the Board of Trustees on 23 ~~June~~ 2012 and were signed on its behalf by:


Stephen Norrish MBE
Trustee


Peter Kara
Chair

Company number 2032715

The accompanying notes form part of these accounts

Notes to the financial statements

(forming part of the financial statements)

1 Accounting policies

The principal accounting policies of the group are set out below and remained unchanged from the previous year

Basis of accounting

The financial statements have been prepared under the historical cost convention except that investments are revalued annually and investment properties are included in the balance sheet at their open market values assuming that existing tenancies, on preferential terms to voluntary organisations, will continue. The financial statements have been prepared in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP 2005) issued in March 2005, applicable UK Accounting Standards and the Companies Act 2006

Going concern

The trustees are satisfied that the charity's assets attributable to each of its Funds are available and adequate to fulfil its obligations in relation to those funds. The trustees are confident that the Community Foundation is able to continue to meet its liabilities as they fall due for the foreseeable future and that the accounts should be prepared on the going concern basis

Basis of consolidation

The consolidated accounts incorporate those of Milton Keynes Community Foundation Limited and its subsidiary MK Community Properties Limited. The results of this trading subsidiary have been incorporated on a line-by-line basis

Voluntary income

Donations relating to a specific period and donations by deed of covenant, or under gift aid, where the full amount has been deposited in advance are taken into income over the period to which they relate. Where possible, gifts in kind have been quantified and included in these accounts

Any grants the Community Foundation receives towards its administration costs are included on a receivable basis

Investment income

Interest and investment income is accounted for on a receivable basis

Property company turnover

Turnover of the property company represents rents and service charges (net of VAT) receivable on a straight-line basis. The assets for which rent is received are included in investment properties in fixed assets. Appropriately-apportioned proceeds of property disposals are also included in property company turnover

Any surplus income generated by the subsidiary company will be passed to the Community Foundation as a gift aided payment within nine months of the end of the financial year

Property company turnover has been analysed between both investment income and incoming resources from charitable activities. That element treated as investment income relates to those properties that are let on full commercial rental basis and that reported as incoming resources from charitable activities relates to income from properties let at a subsidised rent to Voluntary and Community Sector tenants

Notes (continued)

1 Accounting policies (continued)

Resources expended

Expenditure is recognised when a liability is incurred

- Expenditure incurred by the Community Foundation's trading subsidiary has been analysed between investment management costs and Charitable Activities. This allocation is based on the analysis of Property company turnover between investment income and incoming resources from charitable activities
- Costs of generating funds are those costs incurred in attracting voluntary income, investment management expenses and those incurred by the Community Foundation's trading subsidiary
- Charitable activities include the value of grants awarded by the Community Foundation and both the direct and support costs relating to these activities. Grants payable are included in the SOFA when approved by the trustees and accepted by the beneficiaries. The value of such grants unpaid at the year-end is accrued. Grants where the beneficiary has to meet certain conditions before the grant is released are not accrued but are noted as financial commitments

Charitable activities also includes the costs of the Community Foundation's trading subsidiary that have been allocated to letting properties to the Voluntary and Community sector tenants at a subsidised rent

- Governance costs include those incurred in the governance of the Community Foundation and its assets. Expenditure that can be recognised as wholly attributable to governance costs, for example audit fees and trustee expenses, are directly allocated

All other costs, including staffing costs, are apportioned on the basis of an estimate of the time spent by each member of staff on governance-related issues. Such costs are primarily associated with the strategic planning processes that contribute to the future development of the Community Foundation and its statutory requirements

- Support costs include the administrative functions and have been allocated to activity cost categories on a basis consistent with the use of resources

Costs that can be recognised as being wholly associated with support activities are directly allocated. All other costs, including staffing costs, are apportioned on the basis of an estimate of the time spent by each member of staff

Depreciation

Depreciation is calculated to write down the cost of all tangible fixed assets other than freehold and leasehold investment properties. Fixed assets that cost £250 or more are capitalised and written off over their estimated useful lives by depreciation charged, which is reflected in the SOFA

Assets are depreciated on the reducing balance and straight line methods, at rates of between 25% and 50% per annum

Notes (continued)

1 Accounting policies (continued)

Freehold and leasehold investment properties

The investment properties are held for long-term investment and are included in the group balance sheet at their open market values assuming that existing tenancies, on preferential terms to voluntary organisations, will continue

The surpluses or deficits on the revaluation of such properties are transferred to the investment property revaluation reserve in the subsidiary company. Depreciation is not provided in respect of investment properties

This policy represents a departure from statutory accounting principles, which require depreciation to be provided on all fixed assets. This departure is considered necessary in order that the financial statements may give a true and fair view, because current values and changes in current values are of prime importance rather than the calculation of systematic annual depreciation. Depreciation is only one of many factors reflected in the valuation and the amount that might otherwise have been shown cannot be separately identified or quantified

Investments

Investments are stated at their market valuation at the balance sheet date. Both realised and unrealised gains or losses are reflected in the SOFA

Fund accounting

Unrestricted funds are donations and other incoming resources received or generated for expenditure on the general objectives of the charity. Designated funds are unrestricted funds that have been designated for specific purposes by the trustees

Restricted funds are to be used for specified purposes laid down by the donor. Expenditure for those purposes is charged to the fund, together with a fair allocation of overheads and support costs where appropriate

Taxation

No provision for corporation tax has been made in these accounts because the Community Foundation, a registered charity, is exempt from taxation

All resources expended are classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of resources expended for which it is incurred

Notes (continued)

2 Voluntary income

	Unrestricted Funds	Restricted Funds	Total 2012	Total 2011
	£	£	£	£
Donations received	83,972	793,442	877,414	418,918
Donations in kind	141,051	-	141,051	157,354
Funding from government agencies	-	621,361	621,361	200,767
Grants received for administration costs	58,648	-	58,648	59,075
	<hr/>	<hr/>	<hr/>	<hr/>
Total	283,671	1,414,803	1,698,474	836,114
	<hr/>	<hr/>	<hr/>	<hr/>

Donations received in kind are valued on the basis that such services were purchased as a commercial transaction on an arms length basis. All such donations have been included as unrestricted income and are analysed in the table below

	Total 2012	Total 2011
	£	£
Membership and other donations		
- Discretionary rates relief	17,223	16,420
- Website development & support	11,000	4,880
- Computer Network Support	-	211
- Venue costs for team events	-	200
- Office cleaning	2,099	1,868
	<hr/>	<hr/>
	30,322	23,579
Community Car Raffle		
- Site	72,000	109,200
- 1 st Prize	19,499	12,210
- Site Marketing	900	3,750
Newspaper advertorial	15,630	7,815
Table at World cup dinner	-	800
Birthday Book design	2,700	-
	<hr/>	<hr/>
Total	141,051	157,354
	<hr/>	<hr/>

Notes (continued)

3 Investment income

Investment income comprises income from

	Unrestricted Funds £	Restricted Funds £	Total 2012 £	Total 2011 £
Listed investments	104,178	68,107	172,285	144,290
Bank and Building Society deposits and receivables	-	-	-	9,382
Property company trading subsidiary turnover	459,266	-	459,266	351,480
	<u>563,444</u>	<u>68,107</u>	<u>631,551</u>	<u>505,152</u>

4 Incoming resources from charitable activities

Incoming resources from charitable activities comprises income from

	Total 2012 £	Total 2011 £
Property company rental and service charge income	457,336	438,361
Sales of Community Reserve Sites	1,625	109,502
	<u>458,961</u>	<u>547,863</u>

Notes (continued)

5 Net income from trading activities of subsidiary

The charity's wholly-owned trading subsidiary incorporated in the UK, MK Community Properties Limited owns and manages property, aiming to support the Voluntary Sector in Milton Keynes, either directly through accommodation or indirectly through surplus income which is gift aided to Milton Keynes Community Foundation. Rents received on its commercially let properties are used to support the Voluntary Sector through the operations of the property company.

A summary of its trading results is shown below

Profit and loss account and balance sheet

	Total 2012 £	Total 2011 £
Turnover	918,227	899,343
Cost of sales	(342,737)	(309,413)
	<hr/>	<hr/>
Gross profit	575,490	589,930
Administration expenses	(257,248)	(275,518)
	<hr/>	<hr/>
Trading profit	318,242	314,412
Net interest	(11,203)	(10,406)
	<hr/>	<hr/>
Net income	307,039	304,006
Tax on profit on ordinary activities	-	-
Amount Gift Aided to Milton Keynes Community Foundation	(300,000)	(300,000)
	<hr/>	<hr/>
Retained in subsidiary	7,039	4,006
	<hr/>	<hr/>
 Tangible assets	 3,875,524	 4,159,521
Net current liabilities	(106,672)	(439,708)
Creditors falling due after more than one year	(525,000)	(200,000)
	<hr/>	<hr/>
Total net assets	3,243,852	3,519,813
	<hr/>	<hr/>
Called up share capital	400,000	400,000
Investment property revaluation reserve	2,832,023	3,115,023
Profit and loss account	11,829	4,790
	<hr/>	<hr/>
Total	3,243,852	3,519,813
	<hr/>	<hr/>

Notes (continued)

6 Excess of income over expenditure

The charity has taken advantage of Section 408 of the Companies Act 2006 and has not included its own income and expenditure account in these financial statements. The excess of income over expenditure for the year includes a surplus of £1,089,232 (2011 £420,725), which is dealt with in the financial statements of the charity.

7 Allocation of support costs and overheads

The breakdown of support costs between costs of generating voluntary income, governance costs and the costs of charitable activities is shown in the table below.

	Property company costs £	Staff related costs £	Investment Expenses £	Audit fees £	Other direct costs £	Apportioned costs £	Total 2012 £	Total 2011 £
Generating voluntary income	-	76,685	-	-	134,928	18,131	229,744	241,242
Fundraising trading	-	11,459	-	-	6,753	2,476	20,688	19,975
Investment management	294,227	11,246	25,269	-	-	2,626	333,368	260,560
Charitable activities	294,031	97,131	-	-	17,099	56,843	465,104	507,935
Governance	-	55,984	-	9,250	5,212	13,072	83,518	82,151
Other resources expended	2,477	-	-	-	-	-	2,477	3,697
	<u>590,735</u>	<u>252,505</u>	<u>25,269</u>	<u>9,250</u>	<u>163,992</u>	<u>93,148</u>	<u>1,134,899</u>	<u>1,115,560</u>

Costs that can be recognised as wholly attributable to one of the above categories are directly allocated. All other costs, including staffing costs, are apportioned on the basis of an estimate of the time spent by each member of staff within the category. Staff costs have been apportioned as follows:

Role	Costs of generating voluntary income	Property company trading costs	Investment Management costs	Charitable Activities Support costs	Governance costs
Chief Executive	14%	45%	3%	14%	24%
Director of Marketing & Business Development	70%	12%	-	9%	9%
Director of Finance	-	50%	12%	20%	18%
Grants Director	9%	15%	-	68%	8%
Executive Assistant	14%	45%	3%	14%	24%
Finance Officer	-	70%	6%	10%	14%
Grants Officers	-	-	-	100%	-
Fund Development Officers	70%	-	-	25%	5%
Administrative Assistants	55%	7%	2%	14%	22%

Notes (continued)

7 Allocation of support costs and overheads (continued)

In accordance with agreed procedures, the operating costs are borne by the Community and Arts Funds proportionate to the relative value of the funds and the donations received. In addition, donors who set up Themed Funds with the Milton Keynes Community Foundation agreed to pay an administration fee out of the restricted element of the donation, which is charged direct to those funds. Furthermore, costs have been incurred by the Community Foundation, which relate directly to operating the Grassroots Funds and these specific costs have been borne by those Funds.

	Community Fund	Arts Fund	Grassroots Funds	Sport Relief Fund	Themed Funds	Total
	£	£	£	£	£	£
Generating voluntary income	228,202	1,444	-	-	98	229,744
Fundraising trading	20,688	-	-	-	-	20,688
Investment management	333,171	184	-	-	13	333,368
Charitable activities	435,221	1,591	2,432	8,861	16,999	465,104
Governance costs	82,539	916	-	-	63	83,518
Other resources expended	-	-	-	-	2,477	2,477
	1,099,821	4,135	2,432	8,861	19,650	1,134,899

8 Analysis of charitable expenditure

The Community Foundation undertakes its charitable activities through grant making. In the year ended 31 March 2012 it awarded grants totalling £507,090 (2011 £469,691) to a number of voluntary and community groups and individuals in furtherance of its charitable activities (see Note 21). It also paid £15,904 (2011 £19,486) to groups which supported the Community Car Raffle.

The main aim of the Community Foundation's subsidiary company, MK Community Properties Ltd, is to support the Voluntary Sector in Milton Keynes, either through subsidised accommodation or indirectly through surplus income.

	Charitable Activities	Support costs	Total 2012	Total 2011
	£	£	£	£
Grants awarded	522,994	171,073	694,067	650,193
Trading subsidiary costs	294,031	-	294,031	346,919
	817,025	171,073	988,098	997,112

Notes (continued)

9 Analysis of governance costs

	2012 £	2011 £
Trustee costs	2,497	1,870
Staff related costs	55,984	55,358
Office costs	6,137	6,032
Audit fees	9,250	11,750
Legal fees	693	-
Other costs	8,957	7,141
	<hr/> 83,518 <hr/>	<hr/> 82,151 <hr/>

10 Analysis of staff costs

	2012 £	2011 £
Salary related costs		
Wages and salaries	326,784	335,792
Social security costs	30,920	30,924
	<hr/> 357,704 <hr/>	<hr/> 366,716 <hr/>

No employee earned more than £60,000 (2011 £60,000)

The average number of employees was 12.3 (2011 12.6), excluding trustees. No trustee received any remuneration during the year (2011 £Nil), and no trustees received reimbursed expenses during the year (2011 £Nil).

11 Analysis of operating costs

	2012 £	2011 £
Auditors' remuneration includes		
Fees payable to the company's auditor for the audit of the financial statements	-	-
Audit of the financial statements of the charitable company's subsidiary pursuant to legislation	9,250	9,000
Other services relating to taxation	2,750	2,750
	<hr/> 12,000 <hr/>	<hr/> 11,750 <hr/>

The wholly owned trading subsidiary, MK Community Properties Limited, provides the charity with rent-free accommodation. During the financial year ended 31 March 2012 the value of this rent subsidy was £23,285 (2011 £23,285). The subsidiary's trading costs includes a depreciation charge for the year of £11,288 (2011 £11,764).

The Community Foundation has entered into a liability limitation agreement with Grant Thornton UK LLP, the statutory auditor, in respect of the statutory audit for the year ended 31 March 2012. The proportionate liability agreement follows the standard terms in Appendix B to the Financial Reporting Council's June 2008 Guidance on Auditor Liability Agreements, and was approved by the shareholders on 22 September 2011.

Notes (continued)

12 Tangible assets

The Group	Freehold properties £	Leasehold Properties held on long lease > 50 years £	Equipment £	Total £
Cost or valuation				
At 1 April 2011	3,630,500	497,000	276,921	4,404,421
Additions during the year	-	-	10,291	10,291
Disposals	-	-	-	-
Revaluation	(264,000)	(19,000)	-	(283,000)
At 31 March 2012	3,366,500	478,000	287,212	4,131,712
Depreciation				
At 1 April 2011	-	-	244,900	244,900
Provided in the year	-	-	11,288	11,288
At 31 March 2012	-	-	256,188	256,188
Net book amount				
At 31 March 2012	3,366,500	478,000	31,024	3,875,524
At 31 March 2011	3,630,500	497,000	32,021	4,159,521

The investment properties were valued at 31 March 2012 by external valuers, Louch Shacklock and Partners LLP, Chartered Surveyors, on the basis of open market value at existing use in accordance with the appraisal and valuation manual of the Royal Institution of Chartered Surveyors

The historical cost of the properties is £1,012,477 (2011 £1,012,477). No provision has been made for deferred tax or any potential liability under the clawback arrangements described in Note 17 that would arise if the properties were to be sold at open market existing use value, as the trustees do not foresee any circumstances under which disposals of the relevant properties would be made such as to give rise to either a tax or a clawback liability

Included in the above investment properties are premises that are occupied by the charity. The trustees do not consider their value to be material in the context of the overall property portfolio

Notes (continued)

13 Investments

The Group and Company

Investments are mainly held in a segregated fund managed by Newton Investment Management Limited. At 31 March 2012 no single holding within this part of the portfolio represented more than 5% of the value of the fund (2011 none). In addition, the Community Foundation has direct equity holdings of 295,000 (2011 295,000) 5p shares in DRS Data and Research Services PLC with an open market value at 31 March 2012 of £52,363 (2011 £67,850). During the year £1,242,721 of funds were placed with CCLA in their Charities Ethical Common Investment Fund in line with the rules of the Community First Endowment Match Challenge. At 31 March 2012 these funds had an open market value of £1,242,721 and represented 24.0% of the total investment portfolio. The endowment raised as a result of the Grassroots Endowment Match continues to be held with M & G in their Charibonds. At 31 March 2012 these funds had an open market value of £617,028 (2011 £559,000), representing 11.9% (2011 13.6%) of the total investment portfolio.

These investments are analysed as follows:

	2012 Total £	2011 Total £
Equities	2,696,499	2,808,160
Corporate Bonds	168,318	278,751
British Government Bonds	347,872	330,932
Common Investment Funds	1,859,749	559,000
Cash/Deposits	96,316	116,130
	<hr/> 5,168,754 <hr/>	<hr/> 4,092,973 <hr/>

All investments are quoted investments.

	2012 Total £	2011 Total £
Valuation at 1 April	4,092,973	3,591,417
Disposals	(1,328,206)	(986,614)
Additions	2,381,013	1,260,397
Increase in market value during the year	22,974	227,773
	<hr/> 5,168,754 <hr/>	<hr/> 4,092,973 <hr/>
Valuation at 31 March	5,168,754	4,092,973

The historical cost of investments held at 31 March 2012 was £4,068,189 (2011 £2,889,937).

Notes (continued)

13 Investments (continued)

The Company

Investment in subsidiary undertaking

	£
Cost at 1 April 2011 and 31 March 2012	400,000

The company owns 100% of the ordinary share capital, comprising 400,000 £1 ordinary shares in MK Community Properties Limited, which is registered in England and Wales and was incorporated on 2 October 1991. It traded throughout the year to 31 March 2012 as a property ownership and management company.

14 Debtors

	Group		Milton Keynes Community Foundation	
	2012	2011	2012	2011
	£	£	£	£
Trade debtors	77,263	55,172	-	-
Accrued income	179,444	222,959	-	-
Other debtors and prepayments	204,035	73,062	174,087	22,214
Social security and other taxes	-	5,530	-	5,530
Due from subsidiary company	-	-	822,637	938,090
	<u>460,742</u>	<u>356,723</u>	<u>996,724</u>	<u>965,834</u>

Included in group accrued income is £133,924 (2011 £179,445) relating to sales proceeds of Community Reserve Sites which are due in more than one year. Included in the amount due from subsidiary company are two loans totalling £525,000 (2011 £525,000). Loan 1 is for £325,000, is unsecured, bears interest at 3% above base rate and is repayable on 1 February 2014. Loan 2 is for £200,000, is unsecured and repayable on 3 November 2016. Interest is charged on this second loan at 1.5% above base rate.

15 Creditors: amounts falling due within one year

	Group		Milton Keynes Community Foundation	
	2012	2011	2012	2011
	£	£	£	£
Trade creditors	30,881	30,939	1,097	-
Social Security and other taxes	13,995	24,500	-	8,037
Other creditors	58,282	26,905	2,424	-
Deferred income	84,085	76,167	10,093	1,700
Accruals	86,514	124,004	12,043	12,101
Grants payable (see note 21)	105,608	85,939	105,608	85,939
	<u>379,365</u>	<u>368,454</u>	<u>131,265</u>	<u>107,777</u>

Notes (continued)

16 Capital commitments

There were no capital commitments at 31 March 2012 (2011 *£nil*)

17 Contingent liabilities

Under the arrangements surrounding the transfer on 27 November 1992 of certain properties from English Partnerships, previously known as the Commission for the New Towns, the subsidiary company is under a contractual obligation to repay amounts to English Partnerships ("clawback") in respect of the net capital gains arising on certain disposals or change of use in relation to either Community Related Assets (certain industrial units at Kiln Farm and Stacey Bushes and Number 56 Buckingham Street Wolverton) or Community Reserve Sites (32 undeveloped sites). The liability was 100% during the first year after transfer, reducing by 2% per annum.

No provision has been made for deferred tax that may arise if the properties were sold in the future. It is the Directors' opinion that no tax would arise on a future sale of the property as any profits from such a sale would be paid via Gift Aid to the company's charitable parent MK Community Foundation.

18 Related party transactions

A number of trustees, as well as being individual members of the Community Foundation, are associated with organisations that are corporate members of the Community Foundation. Neither the trustees nor their associated organisations derive any benefit as a result of their membership of the Community Foundation.

Furthermore, as mentioned previously in this report, the Community Foundation is also able to support the not-for-profit sector in Milton Keynes through the provision of properties from its subsidiary company, MK Community Properties Ltd, that are let on preferential terms. The amount of this subsidy, the difference between the full commercial rental and the subsidised rent paid by the not-for-profit sector tenants, is in excess of £547,000 per annum for the year to 31 March 2012 (2011 *£538,000*). Two trustees worked for organisations that currently receive subsidised accommodation, namely

Mr S Norrish MBE, Milton Keynes Christian Foundation Ltd
Mrs R Stone, Milton Keynes Community Action

Prior to providing subsidised accommodation, a process is in place to assess the client to ensure that they are providing services that match the needs of the community.

In addition, one of the Directors of the wholly owned trading subsidiary, MK Community Properties Limited, is a tenant who occupies space in Acorn House. This lease agreement was commercially negotiated on an arms length basis.

Notes (continued)

18 Related Party Transactions (continued)

Set out below is a summary of the amounts that were charged to related parties during the financial year and the amounts that remain outstanding as at 31 March 2012

Related party transactions	Mr R Horsley	Milton Keynes Christian Foundation Ltd	Milton Keynes Community Action
	£	£	£
Rent	2,000	22,414	26,542
Service charge/insurance	1,012	4,993	20,202
Meeting rooms etc	-	-	2,702
	<hr/>	<hr/>	<hr/>
Total charges during the financial year	3,012	27,407	49,446
	<hr/>	<hr/>	<hr/>
Balance due from (to) tenant at 31 March 2012	-	(487)	(13,342)
	<hr/>	<hr/>	<hr/>

During the financial year, MK Community Properties Limited purchased catering services from Milton Keynes Christian Foundation Ltd amounting to £21,438 (2011 £23,157). These purchases were made at arm's length. At 31 March 2012 the balance due to Milton Keynes Christian Foundation Ltd was £1,739 (2011 £4,056).

During the financial year the Community Foundation has continued to act as agents for The Powell Foundation in administering its direct grants and for these administration services the Community Foundation received £4,701 (2011 £4,927). In addition, the Community Foundation received a grant of £95,000 (2011 £65,000) from The Powell Foundation for it to make grants from the Margaret Powell (Grants) Fund to groups that met The Powell Foundation's criteria. The Community Foundation received a grant of £15,389 (2011 £15,300) from The Powell Foundation towards the costs it incurs in administering these grants.

19 Indemnity insurance

The group has purchased insurance for the trustees and staff of the charity and the directors of the subsidiary company, MK Community Properties Ltd, against liability arising for wrongful acts in relation to the charity and its wholly owned subsidiary. The cost of this insurance amounts to £1,888 (2011 £1,871).

Notes (continued)

20 Accumulated funds

Milton Keynes Community Foundation maintains a number of separate funds, the movement on which is detailed in note 20 37 below and the net assets of which are analysed in note 20 38 below. Monies held in funds can be either flow-through (monies donated in one year are spent in the next along with any investment income earned) or endowment (monies are held in the fund until the fund reaches an agreed level at which time the annual income on the fund balance is spent).

In order to take maximum advantage of the new Community First Match Challenge, the Trustees decided to allow all eligible donations made during the year to be used to obtain match. This match fund can only be used to fund grassroots community and voluntary projects and therefore these matched donations have been transferred to restricted reserves once the match was received. This has resulted in £368,729 of general unrestricted donations to be reclassified as restricted endowed donations within the Community First Match Fund. This figure accounts for the majority of the fund transfer shown on page 19.

Details of the funds are as follows:

Unrestricted fund

20 1 Community Fund £2,398,127

This fund is the main fund of the Community Foundation into which the majority of donations are made. Most grants are paid out of this fund and the majority of the administration costs are borne by this fund. Interest and investment income is added to this fund as earned.

20 2 25th Birthday Fund £4,026

This fund was set up in January 2011 to celebrate the 25th Birthday year of the Community Foundation. It is 75% flowthrough and 25% endowed funds.

Designated funds

20 3 Property Fund £4,097,388

This fund represents the net book value of the freehold and leasehold properties owned by the subsidiary company, together with a reserve towards future property maintenance.

Restricted funds

20 4 Arts Fund £592,343

This fund was set up to receive the assets transferred to Milton Keynes Community Foundation from the Milton Keynes Foundation pursuant to an Agreement dated 18 November 1993. The fund receives donations made for the arts. Grants are made from the interest earned on the investments held. A proportion of operating cost has been charged to this fund.

20 5 Sport Relief £50,782

This fund was set up to receive restricted flow-through monies received from Sport Relief. Sport Relief aims to fund work, which uses sport and exercise to strengthen communities and provide opportunities for people who are excluded or disadvantaged. Investment returns were allocated to the Community Fund.

20 6 Margaret Powell (Grants) Fund £119,930

Donations by the Trustees of the Powell Foundation are received by this fund to enable the Milton Keynes Community Foundation to make grants for the benefit of people of any age with mental, sensory or physical disabilities and older people who are frail or experiencing mental health difficulties or have a physical disability, within the Borough of Milton Keynes. Investment returns are allocated to the Community Fund.

Notes (continued)

20 Accumulated funds (continued)

Restricted funds (continued)

20 7 MK DASS Fund £193,090

Donated by the Trustees of the MK Drug and Alcohol Support Service to enable the Milton Keynes Community Foundation to make grants for the benefit of community based projects and organisations that provide education and advice to vulnerable, local people on drug and alcohol misuse and related issues. Investment returns are added to this Fund.

20 8 MK Citizen £13,064

This fund has been set up to receive donations from MK Citizen newspaper. The donations received will be invested and income earned is added to the fund. Grants are made from the income earned.

20 9 Heart 103 3 Fund Enil

This fund supported projects for local families and young people as well as musical activities. In accordance with Heart's wishes, the entire fund was released for grant making over 2011-2012 and has now been fully spent.

20 10 Baker Tilly Fund £19,677

This fund has been set up to receive donations from Baker Tilly and other sources. The donations received will be invested and income earned is added to the fund. Grants are made from the income earned and new donations to the fund.

20 11 Women's Fund £20,780

This fund has been set up to receive donations from Women in Enterprise and other sources. The donations received will be invested and grants made from income.

20 12 PricewaterhouseCoopers Enil

This fund has been set up to receive restricted flow through monies from PricewaterhouseCoopers to support organisations working in areas of acknowledged deprivation. In particular to raise educational achievement at primary and secondary level, help young people develop employability skills and support social and economic regeneration. Investment returns are allocated to the Community Fund.

20 13 thecentre mk £5,393

This fund has been set up to receive restricted flow-through monies from thecentre mk to support issues that impact on the general operations of the thecentre mk. In particular to support projects that deal with anti-social behaviours, benefit disabled groups, help create social and community cohesion by supporting groups that promote social inclusion and homelessness or provide alternative education. Investment returns are allocated to the Community Fund.

20 14 Niftylift Fund £24,288

This fund has been set up to support children and young people, particularly those from disadvantaged backgrounds.

Notes (continued)

20 Accumulated funds (continued)

Restricted funds (continued)

20 15 Vice Versa – The Cultural Citizenship Fund £490

The MK Cultural Citizenship Fund was established to meet the needs to develop an endowed fund that supports the leadership that develops cultural citizenship, where diversity is positively encouraged and valued. The Cultural Citizenship Fund works through inclusive and cross-cultural collaboration towards a uniting vision and sharing a sense of pride and belonging in MK.

20 16 emw law Fund Enil

This is a flow through fund, set up to support projects that benefit children and young people, and also projects that develop social cohesion.

20 17 Family Funds £144,129

A number of donors have set up their own Family Funds. Some are endowed and some flowthrough in nature. Those that are endowed will begin to make grants that meet the Community Foundation's criteria once they have reached maturity.

20 18 Home Retail Group Fund £4,964

This is a flow-through fund, set up to support projects that enhance the home environment with a focus on education, the sustainable environment and health, and which have a lasting effect on families and communities in Milton Keynes.

20 19 Edward Hurley Memorial Fund £192,475

This fund was established in memory of the late Edward Hurley to support projects that help children develop healthy minds and physical lifestyles to maximise their future potential as model citizens.

20 20 Capacity Builders Fund £1,060

This fund represents the balance still to be spent of a Capacity Builders Grant received in 2007-08.

20 21 Grassroots Endowment Fund £650,747

This fund was created as part of the Government's Grassroots program. The income is used for grassroots voluntary and community projects.

20 22 Employers Network on Disability Enil

The aim of this fund was to support initiatives which help people with disabilities find work. This fund was spent during 2011-12.

20 23 Thames Valley Police £554

This is a flow through fund created to support local projects and communities which is in line with their Neighbourhood Action Groups.

20 24 NHS Fund £11,115

This is a flow through fund to support community projects in Beanhill, Tinkers Bridge, Wolverton and Greenleys as part of the Health Trainer Initiative.

Notes (continued)

20 Accumulated funds (continued)

Restricted funds (continued)

20 25 *Survive and Thrive Enil*

This was a flow through fund for voluntary and community sector organisations affected by the recession. This fund was fully spent in 2011/12.

20 26 *Shoosmiths fund £2,045*

This is a flow through fund to support people with special needs and disabilities and older people in the community.

20 27 *Surviving Winter Fund £45,487*

This fund was set up in December 2010. It began as a fund for pensioners who would like to donate their winter fuel allowance to others with a more pressing need, however, it is open to any donor to add to the fund. Funds are used to help vulnerable people during the winter months.

20 28 *Balney Trust Enil*

This is a flow through fund supporting a range of community based projects.

20 29 *NHBC Fund £9,475*

This is a flow through fund supporting education, young people and projects addressing deprivation.

20 30 *Open University Fund £10,000*

This is a flow through fund supporting education projects for young adults.

20 31 *Theresa Hill Memorial Fund £8,465*

This is an endowment fund set up in memory of Theresa Hill. The income from the fund is available for use by the foundation to pay for core costs.

20 32 *Local Giving £21,124*

This fund was set up in October 2012 to account for monies raised by local groups through their participation in the Local Giving project.

20 33 *New Communities Fund £106,320*

This fund was set up in October 2011 with monies received from the Roof Tariff Scheme and is to be used to benefit the new communities in the Eastern Expansion Area.

20 34 *Jubilee Fund £2,741*

This fund was set up in January 2012 to create a lasting legacy from our fundraising around the Queen's Diamond Jubilee. The fund is available for general grant making.

20 35 *Community First Endowment Match Challenge Fund £1,242,721*

This fund was set up in March 2012 as part of the Government's Community First program. The income from the endowment will be used for grassroots voluntary and community projects.

20 36 *BSH funds £10,000*

This is a flow through fund supporting disadvantaged children, young adults into work through mentoring and sponsorship, providing assistance to vulnerable elderly people and assisting people affected by cancer.

Notes (continued)
***20 Accumulated funds (continued)**

20.37 Accumulated funds - Analysis of group income and expenditure

	Balance at 01/04/11 £	Incoming Resources £	Transfers £	Revaluation of Investment Assets £	Resources Expended £	Balance at 31/03/12 £
Unrestricted funds						
Community	2,718,191	1,315,572	(341,451)	(58,100)	(1,236,085)	2,988,127
25th Birthday Fund	28,219	24,085	(22,013)	-	(26,265)	4,026
Designated - Property	4,380,388	-	-	(283,000)	-	4,097,388
Total unrestricted funds	7,126,798	1,339,657	(363,464)	(341,100)	(1,262,350)	6,499,541
Restricted funds						
Arts	603,544	30,726	(5,856)	(12,932)	(23,139)	592,343
Sport Relief	616	138,492	-	-	(88,326)	50,782
Margaret Powell (Grants)	89,375	96,357	(5,997)	-	(59,805)	119,930
MK DASS	193,931	4,937	-	(2,668)	(3,110)	193,090
MK Citizen	13,044	97	-	-	(77)	13,064
Heart 103.3	21,828	125	-	-	(21,953)	-
Baker Tilly	18,337	2,388	(331)	-	(1,048)	19,677
Women's	21,274	570	-	-	(733)	20,780
PricewaterhouseCoopers	3,800	-	-	-	(3,800)	-
the centre mk	4,872	5,128	-	-	(4,607)	5,393
NiftyLift	26,082	181	-	-	(1,975)	24,288
emw law	6,626	24	-	-	(6,160)	490
Family Funds	1,019	-	-	-	(1,019)	-
Home Retail Group Fund	156,075	26,076	(1,750)	(2,847)	(33,425)	144,129
Edward Hurley Memorial Fund	18,324	1,424	-	-	(13,360)	4,964
Capacity Builders Fund	192,107	-	-	-	(1,056)	192,475
Grassroots Small Grants Fund	3,537	-	(5)	-	(2,477)	1,060
Grassroots Endowment Fund	5	-	-	-	-	-
Employers Network on Disability	609,216	37,157	-	31,128	(26,754)	650,747
Thames Valley Police	2,000	-	-	-	(2,000)	-
NHS Fund	2,250	-	-	-	(1,696)	554
Survive and Thrive Fund	23,542	-	-	-	(12,427)	11,115
Shoosmiths Fund	18,484	-	-	-	(18,484)	-
Winter Fuel	1,427	2,595	(500)	-	(1,477)	2,045
Balney Trust	2,132	44,611	15,659	-	(16,915)	45,487
NHBC	6,300	5,000	(5,000)	-	(5,000)	-
Open University Fund	-	15,000	-	-	(6,825)	9,475
Theresa Hill Memorial Fund	-	10,000	-	-	-	10,000
Local Gwing	-	8,465	-	-	-	8,465
New Communities Fund	-	58,674	-	-	(37,550)	21,124
Jubilee Fund	-	106,665	-	-	(345)	106,320
Community First EMC	-	4,226	(1,485)	-	-	2,741
BSH Fund	-	873,992	368,729	-	-	1,242,721
Total restricted funds	2,039,747	1,482,910	363,464	12,681	(395,543)	3,503,259
Total funds	9,166,545	2,822,567	-	(328,419)	(1,657,893)	10,002,800

Notes (continued)

20 Accumulated funds (continued)

20 38 Accumulated funds - Analysis of group net assets at 31 March 2012

	Unrestricted funds	Fixed Assets £	Investments £	Net Current Assets £	Total £
Community 25 th Birthday Fund	-	31,024	2,367,103	-	2,398,127
Designated - Property	-	3,844,500	108,828	4,026	4,026
			144,061		4,097,388
Total unrestricted funds		3,875,524	2,475,931	148,087	6,499,541
Restricted funds					
Arts	-	-	584,015	8,327	592,343
Sport Relief	-	-	-	50,782	50,782
Margaret Powell (Grants)	-	-	-	119,930	119,930
MK DASS	-	-	120,487	72,603	193,090
MK Citizen	-	-	-	13,064	13,064
Heart 103 3	-	-	-	-	-
Baker Tilly	-	-	-	19,677	19,677
Women's	-	-	-	20,780	20,780
PricewaterhouseCoopers	-	-	-	5,393	5,393
the centre mk	-	-	-	24,288	24,288
NiftyLift	-	-	-	490	490
Via Versa The Cultural Citizenship Fund	-	-	128,572	15,557	144,129
emw law	-	-	-	4,964	4,964
Acorn Funds	-	-	-	192,475	192,475
Home Retail Group Fund	-	-	-	1,060	1,060
Edward Hurley Memorial Fund	-	-	-	33,719	33,719
Capacity Builders Fund	-	-	617,028	-	650,747
Grassroots Endowment Fund	-	-	-	554	554
Employers Network on Disability	-	-	-	11,115	11,115
Thames Valley Police	-	-	-	2,045	2,045
NHS Fund	-	-	-	45,487	45,487
Survive and Thrive Fund	-	-	-	9,475	9,475
Shoosmiths Fund	-	-	-	10,000	10,000
Winter Fuel	-	-	-	8,465	8,465
NHBC Fund	-	-	-	21,124	21,124
Open University Fund	-	-	-	106,320	106,320
Theresa Hill Memorial Fund	-	-	-	2,741	2,741
Local Giving	-	-	-	-	-
New Communities Fund	-	-	-	-	-
Jubilee Fund	-	-	-	-	-
Community First Endowment Fund	-	-	1,242,721	10,000	1,242,721
BSH Fund	-	-	-	-	-
Total restricted funds			2,692,823	810,435	3,503,259
Total funds		3,875,524	5,168,754	958,522	10,002,800

Notes (continued)

20 Accumulated funds (continued)

20 39 Accumulated funds - Analysis of group net assets at 31 March 2012 (continued)

The community fund includes reserves of the subsidiary company

	Investment property revaluation reserve £	Profit and loss account £
At 1 April 2011	3,115,023	4,790
Retained result in year	-	(3,771)
Decrease on revaluation of investment properties	(283,000)	-
At 31 March 2012	2,832,023	1,019

Notes *(continued)*

21 Grants made

Analysis of grants made	Unrestricted Funds	Restricted Funds	Local Giving	Total
	£	£	£	£
Voluntary groups and charities	146,625	303,198	36,202	486,025
Individuals	-	21,065	-	21,065
	<hr/>	<hr/>	<hr/>	<hr/>
Total	146,625	324,263	36,202	507,090
	<hr/>	<hr/>	<hr/>	<hr/>

A complete list of all grant recipients for the year can be found on our website
www.mkcommunityfoundation.co.uk

Reconciliation of grants payable	2012 £	2011 £
Total grants to Voluntary Groups and Charities	466,356	430,075
Total grants to Individuals	21,065	13,000
	<hr/>	<hr/>
Total grants paid	487,421	443,075
	<hr/>	<hr/>
Commitments at 1 April	85,939	59,323
Commitments made in the year	514,865	506,448
Grants cancelled or recovered	(7,775)	(36,757)
	<hr/>	<hr/>
Grants payable for the year	507,090	469,691
Grants paid during the year	(487,421)	(443,075)
	<hr/>	<hr/>
Commitments at 31 March	105,608	85,939
	<hr/>	<hr/>
Commitments at 31 March are payable as follows		
Within one year (see note 15)	105,608	85,939
	<hr/>	<hr/>