



**Milton Keynes Community Foundation Limited**

(a company limited by guarantee)

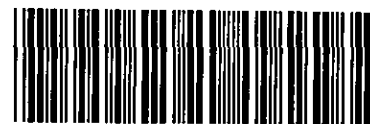
**Trustees' annual report and financial statements of the Group**

31 March 2013

Registered company number 2032715

Registered charity number 295107

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## Trustees' report and financial statements of the Group

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## Chair's Report

2012/13 was a year of challenges and opportunities. Locally, families, organisations and businesses continued to feel the effects of the economic downturn, however, through this we have seen great innovation and leadership. One of the highlights for me was attending the Diamond Jubilee Garden Party at Henley with our Thames Valley Philanthropy Fellowship partners. Working with Berkshire, Buckinghamshire and Oxfordshire Community Foundations, this event marked the beginning of our work to develop the Philanthropy Fellowship, a network of individuals who are strengthening philanthropy in our community.

In 2012, in recognition of The Queen's work in the voluntary sector to encourage community cohesion, all four Community Foundations of the Thames Valley joined together to create a Jubilee Fund in celebration of The Queen's Diamond Jubilee. The fund has awarded 34 Jubilee micro-grants, totalling over £6,000, for start up grants for new community groups and as a fast option for local voluntary and community groups who require a small investment to make a lasting change in Milton Keynes. We are delighted that we have been able to provide financial support totalling £1,262,359 for the local voluntary and community sector in the form of grants and rent subsidies, to enable them undertake their valuable work in supporting our communities.

Milton Keynes is very pleased to be selected as one of the pilots for UK Community Foundations' Vital Signs initiative. This exciting project will give us a snapshot of the successes and challenges our community faces in ten diverse categories, through research, statistical analysis and community consultation. We are working with our partners at Open University and NHBC to produce an accessible and usable set of information to encourage debate, inform our grant making to maximum public benefit and inspire action for change.

In September Carolyn Cumming, High Sheriff of Buckinghamshire, embarked on an eight-day ride across Buckinghamshire and visited projects run by local community groups that help children, families and young people supported by Buckinghamshire and MK Community Foundations.

We had an amazing opportunity to partner with the Open University and Community Action MK to present the first ever TEDx Milton Keynes event. The theme of the day was "Communities, Conversations and Connections" and saw a host of engaging and entertaining speakers from around the world explore how we define and improve our communities. Our association with TED has been so successful that plans are already underway for our next TEDx event in 2013/14.

The purchase of Midsummer House in December has provided an excellent opportunity to further our charitable objectives of supporting and growing the voluntary sector in Milton Keynes. Voluntary sector tenants of Acorn House are able to apply for subsidised rents and the purchase of Midsummer House will significantly increase our ability to extend this support to other organisations.

Our plans for 2013/14 are equally ambitious. I was very proud to be elected Chair in September and would like to thank Peter Kara for his chairmanship and acknowledge the significant contribution my fellow Trustees, our President, Vice Presidents and Ambassadors make in promoting the values of the Community Foundation, the Community Representatives who give their time and expertise to our grants panels and the members of our staff team whose dedication and enthusiasm drive our vision forward. Without our donors we simply could not go on connecting our local community and making effective grants which have such powerful outcomes for people and projects around Milton Keynes.

**Fola Komolafe**

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>	<a href="http://www.mkcommunityfoundation.co.uk">www.mkcommunityfoundation.co.uk</a>

<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 <sup>th</sup> 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

<b>Richard Brown</b>	(Re-appointed 13 September 2012)
<b>Philip Butler</b>	Deputy Chair
<b>Steve Harris</b>	(Appointed 7 February 2013)
<b>Judith Hooper</b>	
<b>Peter Kara</b>	
<b>Roger Kitchen</b>	(Re-appointed 13 September 2012)
<b>Fola Komolafe</b>	Chair
<b>Jane Matthews</b>	(Re-appointed 13 September 2012)
<b>Michael Murray DL</b>	(Re-appointed 13 September 2012)
<b>John Moffoot MBE</b>	
<b>Stephen Norrish MBE</b>	
<b>Peter Selvey</b>	Treasurer
<b>Francesca Skelton DL</b>	
<b>Ruth Stone</b>	
<b>Senior Executive</b>	
<b>Julia Upton</b>	Chief Executive
<b>Danielle Porteous</b>	Director of Development
<b>Bart Gamber</b>	Director of Programmes
<b>Laura Keen</b>	Director of Finance

## Trustees' annual report (continued)

The trustees have pleasure in presenting their annual report and audited financial statements for the year ended 31 March 2013

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 18 to 40 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 21.5

## 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.

**STEP Grants** for sums up to £25,000. 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.

The Community Foundation continues to work in partnership with Sport MK to distribute annual awards to small groups in this field.

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 £782,118 creating an endowed fund of £1,859,345 which will continue to grow over the next two 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 2013, 114 (2012: 49) local groups had taken advantage of this exciting new facility and have raised £199,960 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 to help more groups get involved. We have funding

## Trustees' annual report *(continued)*

left to staff this project until August 2013 but will be continuing to assist groups get involved with this important method of fundraising until at least 31 March 2014

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

## Trustees' annual report (continued)

In March 2013 the Board of Trustees reviewed the activities over the previous twelve months. Priorities for the year were agreed to be Fund Development and Property Development. It was reported that during the second 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
- In conjunction with the three other Thames Valley Community Foundations, organised a Royal Garden Party in Henley showcasing local voluntary organisations in the presence of Her Majesty The Queen and raising £51,708 in donations, a quarter of which went towards our Jubilee Fund
- Continued to develop the Philanthropy Fellowship in the region through a number of events
- Continued to raise funds for the Community First match challenge securing a further £151,509 in match funding for Milton Keynes
- Set up 2 new family fund and 3 new corporate funds
- Distributed in excess of £50,000 for Community Cash
- Increased the number of local groups on localgiving.com to 114 and ran three successful match challenges allowing £191,421 to be distributed to the groups in the year

### Property Company

- Continued to engage with Parish and Town Councils to keep them informed about Community Foundation Land Sites (CFL) in their area
- Continued the review of our processes for organisations applying for CFL
- Granted a long lease to The Milton Keynes Muslim Association for one of our sites at Coffee Hall
- Worked with our Property Asset Manager to develop property plans
- Replace the roof at Hollin Lane as part of our rolling programme of maintenance within our property portfolio
- Continued to investigate the restructuring of 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

- Used vacant space within Acorn House to create further small business units which can be hired on a flexible basis
- Hosted a variety of exhibitions in the new Gallery Space on the ground floor
- Purchased Midsummer House in Central Milton Keynes and began work refurbishing and converting the space into a further hub for the VCS in the heart of Milton Keynes with facilities to complement those of Acorn House

### Grants

- Increased the number of local groups on localgiving.com to 114 and ran three successful match challenges allowing £191,421 to be distributed to the groups in the year
- Awarded the 2012 Arts Bursary and Traditional Arts and Crafts Bursary with a joint event to announce the winners being held at the Milton Keynes Gallery. Awarded five Sports Bursaries in partnership with Sports Aid supporting young sports men and women in the Milton Keynes area. Two Music Bursaries were awarded from our new Christopher Hopkinson Music Bursaries Fund
- Continued to work on the Vital Signs pilot which will be completed during 2013/14. This involved forming new partnerships with NHBC, Start-up Research Limited and the Open University. We launched the public consultation element of the research which involved an on line survey and a number of focus groups

### Governance

- Recruited a new Trustee to add further skills to the Board

## Trustees' annual report *(continued)*

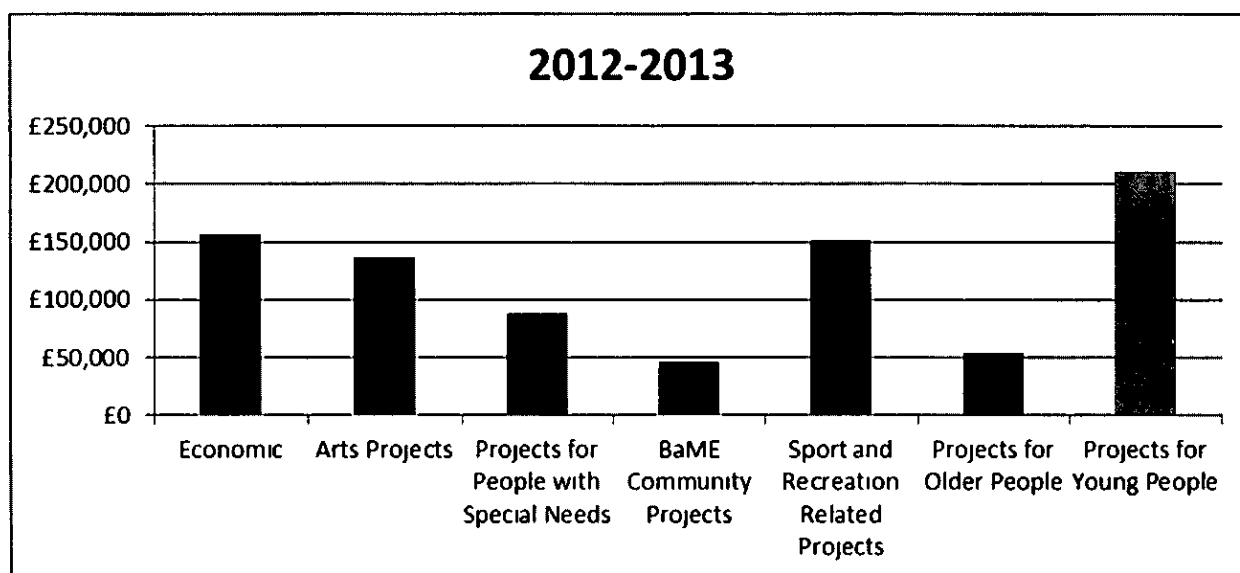
### Achievements and Performance

Total support provided by the Community Foundation to the Voluntary and Community sector during the financial year ended 31 March 2013 totalled £1,262,359 (2012 £1,101,496)

#### Grant Making

The amount of £548,080 (2012 £470,888) was awarded in grants by the Community Foundation during the year. The grants awarded in the year ended 31 March 2013 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 224 local organisations in order to support 239 projects that covered a wide range of initiatives in Milton Keynes during the year to 31 March 2013. In addition 4 grants were awarded to individuals within the local arts community and 5 grants were awarded to individuals as part of our new sports bursary programme.

The level of grant making achieved during the year means that the Community Foundation has now awarded in excess of £8.5m in grants since 1986.

In addition, £191,421 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 demonstrate public benefit by providing 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

In December 2012, MK Community Properties Ltd purchased Midsummer House in Central Milton Keynes adding 30,317 square feet of accommodation to the property portfolio and providing further support for the VCS in the centre of Milton Keynes through additional subsidised office space, meeting rooms and training and conferencing facilities. This building stands adjacent to Acorn House and is being refurbished in line with the group brand. We have already seen a lot of interest from the VCS for both office and business unit space and have already filled much of the empty space available. Refurbishment work to create large meeting rooms, conferencing suite and a new coffee shop in the reception area was completed on 14 June 2013 and on 21 June 2013, Sir Henry Aubrey-Fletcher, the Lord Lieutenant of Buckinghamshire, officially opened the building.

The property portfolio is now comprised of 232,391 square feet (2012 199,353 square feet) of accommodation to be let along with 47 (2012 46) Community Reserve Sites. As at 31 March 2013, void space within the portfolio totalled 21,689 square feet (2012 3,320 square feet) and, therefore, 90.5% (2012 98.3%) of the total portfolio is currently let. This, together with CFL sales, has meant that, despite the costs of the new roof project at Hollin Lane, the trading profit of the Property company for the year amounted to £157,919 (2012 £318,242) and under the terms of gift aid a payment of £130,000 (2012 £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 36 Voluntary and Community sector tenants was in excess of £484,000 (2012 £547,000) for the year to 31 March 2013.

### Donations Received

During the year to 31 March 2013 voluntary income received by the Community Foundation totalled £1,079,981 (2012 £1,698,474).

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 six new donor-restricted funds as well as three Community First 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/Midsummer House Flagship Site

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, 1,542 bookings were taken across the training and conference suite and various meeting rooms, making this our busiest year despite economic conditions. In 2011 five small business units were created within Acorn House to provide flexible accommodation for small VCS groups and start-up businesses as a way of utilising void space within the building. These units were soon filled and a waiting list developed. By 31 March 2013, 14 such units had been created and filled. The demand for this type of accommodation in the heart of Milton Keynes has been strong and seven further units have been created in Midsummer House as part of its refurbishment programme. At 31 March 2013 five of these units were taken and the last two under offer. As part of the further refurbishment work on Midsummer House to be undertaken during 2013/14, three larger transition units are being planned to allow groups that are outgrowing their current units to move into larger space, freeing up the smaller units for new groups.

## Trustees' annual report (continued)

### Community Foundation Land Sites

In order to more clearly differentiate our community reserve sites from those owned by the council, the Board decided to rename our sites to Community Foundation Land (CFL)

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 to deliver maximum public benefit

In October 2012 a long term lease for the Coffee Hall 1 site was granted to The Milton Keynes Muslim Association to enable them to build a Community Centre

Three further sites are reserved for community development, Shenley Brook End 2a to Shenley Christian Fellowship who are preparing a planning application (reservation expires 11 February 2014), Fishermead 9B to Sri Lankan Muslim Foundation who are awaiting a planning decision (reservation expires 16 October 2013), Granby which is reserved by KSI Muslim Community (reservation expires 8 October 2013)

### Financial Review

During the financial year ended 31 March 2013 the Community Foundation generated a net surplus before other recognised gains and losses of £195,676 (2012 £1,096,272)

Despite unrealised revaluation losses at 31 March 2013 of £56,949, the total value of the Community Foundation's funds has increased to £10,141,527 (2012 £10,002,800) 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 2013 totalled £1.9m (2012 £2.8m) This is a reduction from the previous year, which had significant fund development income from the Community First Endowment Match Challenge

### Resources Expended

Out of the 332 applications received by the Foundation, 239 grants were awarded (2012 229 grants awarded) totalling £548,080 (2012 £470,888) providing support to 224 local charities and voluntary and community organisations and 9 individuals Of these awards, £102,149 remained unpaid at the year-end (2012 £105,608) In addition, £191,421 (2012, £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 2013 amounted to £2,342,479 (2012 £1,657,893) In common with other charitable organisations, changes in priorities year on year result in changes in cost allocations across the categories of expenditure In addition, the increased cost of managing the property portfolio due to the acquisition and running of Midsummer House has resulted in an increase in property company operating costs The operating costs of the property company are allocated in the group accounts between Investment Management and Charitable Activities (see note 7) This increase in costs has been offset by an increase in Investment Income from property disclosed in note 3

## **Trustees' annual report** *(continued)*

Excluding the income generated from sales of Community Foundation Land Sites, property trading costs absorbed 89p of every £1 raised from property income (2012 61p of every £1) This is as a result of the decreased occupancy within the property portfolio

### **Investments**

The group's investments were valued at the year-end at £5,280,258 (2012 £5,168,754) The majority (61% 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 and 35% 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 2013 continued to reflect the ongoing turmoil within the EU however market rallies in the last quarter of the year ensured that both the Newton Investment portfolio and the CCLA Charities Ethical COIF had made significant gains in the year as a whole

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, in 2010 the Trustees decided to invest the remaining Grassroots Endowment Match monies in M & G Charibonds These were benchmarked against the FTSE British Government All Stocks Index Just prior to the year end, the Trustees made the decision to withdraw funds held in M & G Charibonds due to fears over the ability of the bond market to continue to hold its value This consolidated gains made in the year on these bonds and, as at the year end, the proceeds were being held in a Close Brothers fixed interest notice account pending reinvestment in the new year

Under the terms of the Community First Endowment Match Challenge all funds raised under this program must be held at CCLA Also four of the restricted donor funds were invested with CCLA

### **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 2013 by external valuers, Louch Shacklock

## Trustees' annual report (continued)

### 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 two periods of this challenge, we have been able to build an endowment of £1,938,244 at 31 March 2013 and will be building on this further over the next two years. At 31 March 2013 the amount of unrestricted funds was £5,856,412 (2012 £6,499,541).

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 Limited, 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. During the year ended 31 March 2013 a significant project was undertaken to replace the roof at Hollin Lane.

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. This year we will host our second Philanthropy Circle event, connecting donors with local organisations. Last year's event raised over £9,000 for five local projects.

We continue to work with our neighbouring community foundations (Berkshire, Buckinghamshire and Oxfordshire) in delivering a Philanthropy Fellowship programme across the three counties. This work is supported financially by a grant from the Esmée Fairbairn Foundation.

In 2012/13 our Surviving Winter campaign successfully raised £24,000, boosted by match funding from the Office of Civil Society's Warm Homes, Healthy People initiative. Working with our local partners YMCA, Food Bank MK and Age UK, this national campaign supports elderly and vulnerable people through the difficult winter season. Our planning for the 2013/14 Surviving Winter campaign includes a flagship launch event and increased media activity.

We are committed to growing the reach and support for our bursary programme. We aim to grow the number and value of our MK Community Foundation Sports Bursaries and welcome the new Adams Engineering Prize.

We have successfully achieved our targets for the second year of the Community First Endowment Challenge as well as bringing forward £79,217 of the match from future years. We expect to achieve our targets in the final years of this challenge and also take up any additional match that may become available.

## Trustees' annual report *(continued)*

The focus of our fundraising for 2013/14 will be to address the imbalance between endowment and flow through fund raising over the past few years as a result of endowment match challenges. We will be achieving this through our "Be Amazing" campaign combined with a membership drive.

### 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 Café and Gallery Space on the ground floor for displays and events
- Completing the refurbishment of Midsummer House to provide complimentary facilities to Acorn House and further Small Business Units
- Recruiting volunteers to provide extra resource

The 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 Community Foundation Land Site on the Eastern Expansion area which can be rolled out and used on other sites.

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 Foundation Land 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 able to raise money on local giving to 200.

As a result of our increase in activity we will be continuing our programme of recruiting interns to work alongside 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 UK Community Foundation (previously 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.

## **Trustees' annual report** *(continued)*

### **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.

#### **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 14 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, Grant-making and Property, 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 20 to the financial statements.

## Trustees' annual report *(continued)*

### Related Parties

MK Community Foundation is also a member of the UK Community Foundation (UKCF), 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, 133 risks were identified and have been evaluated in terms of potential severity of impact and likelihood of their occurrence. Of the 133 risks identified none were considered to need immediate corrective action.

### **Funds Held as Custodian Trustee on Behalf of Others**

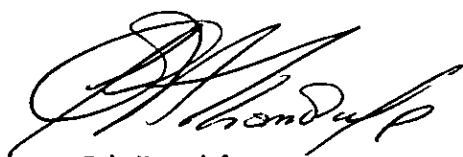
The MK Community Foundation acts as agents for the trustees of a separate charity, The Powell Foundation, which is registered with the Charity Commission. The Community Foundation manages and administers The Powell Foundation's grants programme for which it receives an administration grant.

As at 31 March 2013, the value of The Powell Foundation's funds was £4,206,376 (2012 £3,921,328) 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 auditor.

On behalf of the board



**Fola Komolafe**  
Chair

Date 5 August 2013

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

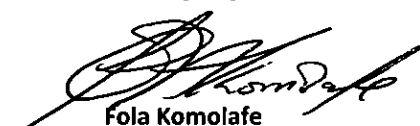
The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with 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.

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.



Fola Komolafe  
Chair

Date 5 August 2013

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 2013 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, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 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 15, 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.

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](http://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 2013 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.

### **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)*

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

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

- adequate accounting records have not been kept by the parent charitable company, 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*

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

Date **5** August 2013

**Group Statement of Financial Activities (incorporating an Income and Expenditure Account)**  
for the year ended 31 March 2013

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2013 £	Total 2012 £
<b>Incoming resources</b>					
<b>Incoming resources from generated funds</b>					
Voluntary income	2	297,994	781,987	1,079,981	1,698,474
Activities for generating funds		33,452	-	33,452	33,581
Investment income	3	743,345	134,510	877,855	631,551
<b>Total incoming resources from generated funds</b>		<b>1,074,791</b>	<b>916,497</b>	<b>1,991,288</b>	<b>2,363,606</b>
<b>Incoming resources from charitable activities – Trading subsidiary</b>	4	<b>487,571</b>	<b>-</b>	<b>487,571</b>	<b>458,961</b>
<b>Total incoming resources</b>		<b>1,562,362</b>	<b>916,497</b>	<b>2,478,859</b>	<b>2,822,567</b>
<b>Resources expended</b>					
<b>Costs of generating funds</b>					
Costs of generating voluntary income	7	365,023	2,708	367,731	229,744
Fundraising trading costs	7	11,535	-	11,535	20,688
Investment management costs	7	572,232	23	572,255	333,368
Interest payable		20,128	-	20,128	-
<b>Total costs of generating funds</b>		<b>968,918</b>	<b>2,731</b>	<b>971,649</b>	<b>583,800</b>
<b>Charitable activities</b>					
Grants made		309,759	609,516	919,275	694,067
Property company trading subsidiary		414,732	-	414,732	294,031
<b>Total charitable expenditure</b>	8	<b>724,491</b>	<b>609,516</b>	<b>1,334,007</b>	<b>988,098</b>
<b>Governance costs</b>	7	<b>35,488</b>	<b>275</b>	<b>35,763</b>	<b>83,518</b>
<b>Other resources expended</b>	7	<b>-</b>	<b>1,060</b>	<b>1,060</b>	<b>2,477</b>
<b>Total resources expended</b>		<b>1,728,897</b>	<b>613,582</b>	<b>2,342,479</b>	<b>1,657,893</b>
<b>Net incoming resources for the year</b>		<b>(166,535)</b>	<b>302,915</b>	<b>136,380</b>	<b>1,164,674</b>
<b>Fund Transfers</b>	21	<b>(168,770)</b>	<b>168,770</b>	<b>-</b>	<b>-</b>
<b>Adjusted incoming resources for the year</b>		<b>(335,305)</b>	<b>471,685</b>	<b>136,380</b>	<b>1,164,674</b>
Realised gains/(losses) on investments		47,639	11,657	59,296	(68,402)
<b>Net (expenditure)/income for the year</b>		<b>(287,666)</b>	<b>483,342</b>	<b>195,676</b>	<b>1,096,272</b>
<b>Other recognised gains and losses</b>					
Unrealised gains on investments		240,398	298,514	538,912	22,983
Revaluation of freehold and leasehold properties	12	(595,861)	-	(595,861)	(283,000)
<b>Net movement in funds</b>		<b>(643,129)</b>	<b>781,856</b>	<b>138,727</b>	<b>836,255</b>
<b>Fund balances brought forward at 1 April</b>		<b>6,499,541</b>	<b>3,503,259</b>	<b>10,002,800</b>	<b>9,166,545</b>
<b>Fund balances carried forward at 31 March</b>		<b>5,856,412</b>	<b>4,285,115</b>	<b>10,141,527</b>	<b>10,002,800</b>

All activities of the group are classed as continuing

## Group balance sheet

at 31 March 2013

	Note	2013 £	2012 £
<b>Fixed assets</b>			
Tangible assets	12	4,938,689	3,875,524
Investments	13	5,280,258	5,168,754
		<hr/>	<hr/>
		10,218,947	9,044,278
<b>Current assets</b>			
Debtors	14	438,644	460,742
Cash at bank and in hand		1,931,550	877,145
		<hr/>	<hr/>
		2,370,194	1,337,887
<b>Creditors</b> Amount falling due within one year	15	(697,614)	(379,365)
		<hr/>	<hr/>
Net current assets		1,672,580	958,522
<b>Creditors</b> Amounts falling due after one year	16	(1,750,000)	-
		<hr/>	<hr/>
<b>Net assets</b>		10,141,527	10,002,800
		<hr/>	<hr/>
<b>Income funds</b>			
Unrestricted funds			
Community	21	2,354,885	2,402,153
Designated	21	3,501,527	4,097,388
		<hr/>	<hr/>
		5,856,412	6,499,541
<b>Restricted funds</b>	21	4,285,115	3,503,259
		<hr/>	<hr/>
		10,141,527	10,002,800
		<hr/>	<hr/>

These financial statements were approved by the Board of Trustees on 5 August 2013 and were signed on its behalf by

  
Peter Kara  
Trustee

  
Fola Komolafe  
Chair

Company number 2032715

The accompanying notes form part of these accounts

## Milton Keynes Community Foundation Limited balance sheet

at 31 March 2013

	Notes	2013 £	2012 £
<b>Fixed assets</b>			
Investments	13	5,280,258	5,168,754
Investments in subsidiary undertaking	13	400,000	400,000
		<hr/>	<hr/>
		5,680,258	5,568,754
<b>Current assets</b>			
Debtors	14	1,013,479	996,724
Cash at bank and in hand		1,352,395	724,735
		<hr/>	<hr/>
		2,365,874	1,721,459
<b>Creditors</b> Amount falling due within one year	15	(145,537)	(131,265)
		<hr/>	<hr/>
<b>Net current assets</b>		2,220,337	1,590,194
		<hr/>	<hr/>
<b>Net assets</b>		7,900,595	7,158,948
		<hr/>	<hr/>
<b>Income funds</b>			
Unrestricted		3,615,480	3,647,760
Restricted		4,285,115	3,511,188
		<hr/>	<hr/>
		7,900,595	7,158,948
		<hr/>	<hr/>

These financial statements were approved by the Board of Trustees on 5 August 2013 and were signed on its behalf by

Peter Kara  
Trustee



Fola Komolafe  
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 remain 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 2013	Total 2012
	£	£	£	£
Donations received	60,366	589,592	649,958	877,414
Donations in kind	118,917	-	118,917	141,051
Funding from government agencies	-	192,395	192,395	621,361
Grants received for administration costs	118,711	-	118,711	58,648
	<hr/>	<hr/>	<hr/>	<hr/>
Total	297,994	781,987	1,079,981	1,698,474
	<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 2013	Total 2012
	£	£
Membership and other donations		
- Discretionary rates relief	18,393	17,223
- Website development & support	5,145	11,000
- Computer Network Support	480	-
- Office cleaning	2,059	2,099
	<hr/>	<hr/>
	26,077	30,322
Community Car Raffle		
- Site	60,000	72,000
- 1 <sup>st</sup> Prize	10,825	19,499
- Site Marketing	3,354	900
Newspaper advertorial	6,169	15,630
Photography	10,350	-
Venues for philanthropy events	500	-
Vital Signs surveys	1,350	-
Design work	292	2,700
	<hr/>	<hr/>
Total	118,917	141,051
	<hr/>	<hr/>

**Notes (continued)**

**3 Investment income**

Investment income comprises income from

	Unrestricted Funds £	Restricted Funds £	Total 2013 £	Total 2012 £
Listed investments	103,143	134,510	237,653	172,285
Property company trading subsidiary turnover	640,202	-	640,202	459,266
	<hr/>	<hr/>	<hr/>	<hr/>
	743,345	134,510	877,855	631,551
	<hr/>	<hr/>	<hr/>	<hr/>

**4 Incoming resources from charitable activities**

Incoming resources from charitable activities comprises income from

	Total 2013 £	Total 2012 £
Property company rental and service charge income	453,521	457,336
Sales of Community Reserve Sites	34,050	1,625
	<hr/>	<hr/>
	487,571	458,961
	<hr/>	<hr/>

**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**

	Total 2013 £	Total 2012 £
Turnover	1,085,680	918,227
Cost of sales	(600,870)	(342,737)
	<hr/>	<hr/>
Gross profit	484,810	575,490
Administration expenses	(326,891)	(257,248)
	<hr/>	<hr/>
Trading profit	157,919	318,242
Net interest	(34,986)	(11,203)
	<hr/>	<hr/>
Net income	122,933	307,039
Amount Gift Aided to Milton Keynes Community Foundation	(130,000)	(300,000)
	<hr/>	<hr/>
Retained in subsidiary	(7,067)	7,039
	<hr/>	<hr/>

**Balance Sheet**

Tangible assets	4,938,689	3,875,524
Net current liabilities	(22,765)	(106,672)
Creditors falling due after more than one year	(2,275,000)	(525,000)
	<hr/>	<hr/>
Total net assets	2,640,924	3,243,852
	<hr/>	<hr/>
Called up share capital	400,000	400,000
Investment property revaluation reserve	2,236,162	2,832,023
Profit and loss account	4,762	11,829
	<hr/>	<hr/>
Total	2,640,924	3,243,852
	<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 £324,177 (2012 £1,089,232), 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 2013 £	Total 2012 £
Generating voluntary income	-	186,518	-	-	143,069	38,144	367,731	229,744
Fundraising trading	-	4,167	-	-	6,178	1,190	11,535	20,688
Investment management	544,562	1,512	25,743	-	-	438	572,255	333,368
Charitable activities	414,732	79,658	-	-	11,040	72,693	578,123	465,104
Governance	-	18,924	-	9,500	2,329	5,010	35,763	83,518
Other resources expended	1,060	-	-	-	-	-	1,060	2,477
	<u>960,354</u>	<u>290,779</u>	<u>25,743</u>	<u>9,500</u>	<u>162,616</u>	<u>117,475</u>	<u>1,566,467</u>	<u>1,134,899</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. The allocation of staff time across various projects changes from year to year depending on the priorities identified and agreed by the Board. 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	56%	31%	1%	6%	6%
Director of Marketing & Business Development	92%	-	-	5%	3%
Director of Finance	37%	28%	4%	11%	20%
Director of Programmes	35%	20%	-	42%	3%
Executive Assistant	49%	25%	-	2%	24%
Finance Officer	40%	25%	1%	28%	6%
Grants Officers	-	-	-	100%	-
Fund Development Officers	100%	-	-	-	-
Administrative Assistants	86%	-	-	-	14%

## 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	365,023	2,404	-	-	304	367,731
Fundraising trading	11,535	-	-	-	-	11,535
Investment management	572,232	20	-	-	3	572,255
Charitable activities	542,790	1,082	705	3,560	29,986	578,123
Governance costs	35,488	244	-	-	31	35,763
Other resources expended	-	-	-	-	1,060	1,060
	<b>1,527,068</b>	<b>3,750</b>	<b>705</b>	<b>3,560</b>	<b>31,384</b>	<b>1,566,467</b>

### 8 Analysis of charitable expenditure

The Community Foundation undertakes its charitable activities through grant making. In the year ended 31 March 2013 it awarded grants totalling £739,501 (2012 £507,090) to a number of voluntary and community groups and individuals in furtherance of its charitable activities (see Note 22). It also paid £16,383 (2012 £15,904) 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 2013	Total 2012
	£	£	£	£
Grants awarded	755,884	163,391	919,275	694,067
Trading subsidiary costs	414,732	-	414,732	294,031
	<b>1,170,616</b>	<b>163,391</b>	<b>1,334,007</b>	<b>988,098</b>

**Notes** *(continued)*

**9 Analysis of governance costs**

	<b>2013</b>	2012
	<b>£</b>	£
Trustee costs	<b>1,952</b>	2,497
Staff related costs	<b>18,924</b>	55,984
Office costs	<b>2,045</b>	6,137
Audit fees	<b>9,500</b>	9,250
Legal fees	<b>459</b>	693
Other costs	<b>2,883</b>	8,957
	<hr/> <b>35,763</b> <hr/>	<hr/> 83,518 <hr/>

**10 Analysis of staff costs**

	<b>2013</b>	2012
	<b>£</b>	£
<b>Salary related costs</b>		
Wages and salaries	<b>367,864</b>	326,784
Social security costs	<b>32,402</b>	30,920
	<hr/> <b>400,266</b> <hr/>	<hr/> 357,704 <hr/>

No employee earned more than £60,000 (2012 £60,000)

The average number of employees was 14.3 (2012 12.3), excluding trustees. No trustee received any remuneration during the year (2012 £Nil), one trustee was reimbursed for a train fare of £32.30 during the year (2012 £Nil).

## 11 Analysis of operating costs

	2013 £	2012 £
Auditors' remuneration includes		
Audit of the financial statements of the charitable company's subsidiary pursuant to legislation	9,500	9,250
Other services relating to taxation	11,000	2,750
	<hr/> 20,500	<hr/> 12,000
	<hr/> <hr/>	<hr/> <hr/>

The wholly owned trading subsidiary, MK Community Properties Limited, provides the charity with rent-free accommodation. During the financial year ended 31 March 2013 the value of this rent subsidy was £23,285 (2012 £23,285). The subsidiary's trading costs includes a depreciation charge for the year of £12,680 (2012 £11,288).

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 2013. 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 13 September 2012.

## 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 2012	3,366,500	478,000	287,212	4,131,712
Additions during the year	1,651,861	-	19,844	1,671,705
Revaluation	(595,861)	-	-	(595,861)
<b>At 31 March 2013</b>	<b>4,422,500</b>	<b>478,000</b>	<b>307,056</b>	<b>5,207,556</b>
Depreciation				
At 1 April 2012	-	-	256,188	256,188
Provided in the year	-	-	12,679	12,679
<b>At 31 March 2013</b>	<b>-</b>	<b>-</b>	<b>268,867</b>	<b>268,867</b>
<b>Net book amount</b>				
<b>At 31 March 2013</b>	<b>4,422,500</b>	<b>478,000</b>	<b>38,189</b>	<b>4,938,689</b>
At 31 March 2012	3,366,500	478,000	31,024	3,875,524

The investment properties were valued at 31 March 2013 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 £2,664,338 (2012 £1,012,477) No provision has been made for deferred tax or any potential liability under the clawback arrangements described in note 18 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 2013 no single holding within this part of the portfolio represented more than 5% of the value of the fund (2012 none). In addition, the Community Foundation has direct equity holdings of 295,000 (2012 295,000) 5p shares in DRS Data and Research Services PLC with an open market value at 31 March 2013 of £52,363 (2012 £52,363). During the year a further £453,539 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 2013 these funds had an open market value of £1,859,345. In addition £174,374, representing four of the named endowment funds, was also placed with CCLA in the same Charities Ethical Common Investment Fund. At 31 March 2013 these funds had an open market value of £188,069. Total funds invested with CCLA represented 38.8% of the total investment portfolio. In March 2013, the endowment raised as a result of the Grassroots Endowment Match was withdrawn from M & G Charibonds and at 31 March 2013 was in a CCLA deposit account awaiting the decision of the Finance Committee as to its reinvestment.

These investments are analysed as follows

	2013 Total £	2012 Total £
Equities	2,441,243	2,696,499
Corporate Bonds	190,233	168,318
British Government Bonds	483,158	347,872
Common Investment Funds	2,047,414	1,859,749
Cash/Deposits	118,210	96,316
	<hr/> 5,280,258 <hr/>	<hr/> 5,168,754 <hr/>

All investments are quoted investments

	2013 Total £	2012 Total £
Valuation at 1 April	5,168,754	4,092,973
Disposals	(1,966,728)	(1,378,206)
Additions	1,539,320	2,381,013
Increase in market value during the year	538,912	22,974
	<hr/> 5,280,258 <hr/>	<hr/> 5,168,754 <hr/>

The historical cost of investments held at 31 March 2013 was £4,390,900 (2012 £4,068,189)

## Notes (continued)

### 13 Investments (continued)

#### The Company

#### Investment in subsidiary undertaking

	£
Cost at 1 April 2012 and 31 March 2013	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 2013 as a property ownership and management company.

### 14 Debtors

	<b>Group</b>		<b>Milton Keynes Community Foundation</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	174,655	77,263	-	-
Accrued income	133,922	179,444	-	-
Other debtors and prepayments	130,067	204,035	63,385	174,087
Due from subsidiary company	-	-	950,094	822,637
	<b>438,644</b>	<b>460,742</b>	<b>1,013,479</b>	<b>996,724</b>

Included in group accrued income is £86,307 (2012 £133,924) 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 (2012 £525,000). Loan 1 is for £325,000, is unsecured, bears interest at 3% above base rate and is repayable on 1 February 2017. 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

	<b>Group</b>		<b>Milton Keynes Community Foundation</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade creditors	67,336	30,881	-	1,097
Social Security and other taxes	46,868	13,995	9,697	-
Other creditors	93,390	58,282	-	2,424
Deferred income	187,267	84,085	19,854	10,093
Accruals	200,604	86,514	13,837	12,043
Grants payable (see note 22)	102,149	105,608	102,149	105,608
	<b>697,614</b>	<b>379,365</b>	<b>145,537</b>	<b>131,265</b>

**Notes** *(continued)*

**16 Creditors: amounts falling due after one year**

	Total 2013 £	Total 2012 £
Due within two to five years		
Bank Loan	1,750,000	-
	<hr/>	<hr/>
	1,750,000	-
	<hr/>	<hr/>

On 18 December 2012, MK Community Properties Limited took out a three year interest only loan from Handlesbanken for £1.75M to fund the purchase and refurbish Midsummer House. £1.25M of the loan is fixed at 4.06% for the three years. The remaining £500K is a variable loan on 3 month LIBOR rates. The current rate being charged is 3.80688% until 18 June 2013. The loan is secured by a fixed charge over Midsummer House, Acorn House and the units in Burners Lane, Stacey Bushes. The loan is repayable on 17 December 2015.

**17 Capital commitments**

At 31 March 2013 a contract had been agreed in respect of the refurbishment of Midsummer House. The sum for this contract was £226,099 and work is scheduled to be completed by 20 June 2013 (2012: £nil).

**18 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 (34 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.

## 19 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 £484,000 per annum for the year to 31 March 2013 (2012 £547,000). Three trustees worked for or were Trustees of organisations that currently receive subsidised accommodation, namely

Mr S Norrish MBE, Milton Keynes Christian Foundation Ltd (MKCF)  
Mrs R Stone, Milton Keynes Community Action (MKCA)  
Mrs F Komolafe, Into the Community (ITC)

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.

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 2013.

### Related party transactions

	Mr R Horsley £	MKCF £	ITC £	MKCA £
Rent	1,170	22,414	2,625	26,542
Service charge/insurance	1,500	7,580	1,851	20,202
Meeting rooms etc	-	-	-	30
	—	—	—	—
Total charges during the financial year	2,670	29,994	4,476	46,774
	—	—	—	—
Balance due from (to) tenant at 31 March 2013	-	(487)	(413)	(13,342)
	==	==	==	==

During the financial year, MK Community Properties Limited purchased catering services from Milton Keynes Christian Foundation Ltd amounting to £17,483 (2012 £21,438). These purchases were made at arm's length. At 31 March 2013 the balance due to Milton Keynes Christian Foundation Ltd was £2,320 (2012 £1,739).

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 (2012 £4,701). In addition, the Community Foundation received a grant of £97,000 (2012 £95,000) 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 £15,713 (2012 £15,389) from The Powell Foundation towards the costs it incurs in administering these grants.

## 20 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 £1,952 (2012 £1,888)

## 21 Accumulated funds

Milton Keynes Community Foundation maintains a number of separate funds, the movement on which is detailed in note 21.5 below and the net assets of which are analysed in note 21.6 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 eligible donations made during the year to be used to reach our match target. 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 £143,220 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 18.

Details of the funds are as follows:

### Unrestricted fund

#### 21.1 Community Fund £2,354,885

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.

#### 21.2 25<sup>th</sup> Birthday Fund £nil

This fund was set up in January 2011 to celebrate the 25<sup>th</sup> Birthday year of the Community Foundation. This fund has now been closed.

### Designated funds

#### 21.3 Property Fund £3,501,527

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

#### 21.4 Various £4,285,115

Details of the various restricted funds can be found on our website

[www.mkcommunityfoundation.co.uk/About-us/Our-Year-2012-2013](http://www.mkcommunityfoundation.co.uk/About-us/Our-Year-2012-2013)

Notes (continued)  
\*21 Accumulated funds (continued)

21.5 Accumulated funds - Analysis of group income and expenditure

	Balance at 01/04/12 £	Incoming Resources £	Transfers £	Revaluation of Investment Assets £	Resources Expended £	Balance at 31/03/13 £
<b>Unrestricted funds</b>						
Community	2,398,127	1,562,343	(185,894)	288,037	(1,707,728)	2,354,885
25 <sup>th</sup> Birthday Fund	4,026	19	17,124	-	(21,169)	3,501,527
Designated - Property	4,097,388	-	-	(595,861)	-	3,501,527
<b>Total unrestricted funds</b>	<b>6,499,541</b>	<b>1,562,362</b>	<b>(168,770)</b>	<b>(307,824)</b>	<b>(1,728,897)</b>	<b>5,856,412</b>
<b>Restricted funds</b>						
Arts	592,343	24,808	-	112,018	(25,483)	703,686
Sport Relief	50,782	23,192	-	-	(73,974)	107,413
Margaret Powell (Grants)	119,930	98,144	(31,432)	-	(79,229)	215,273
MK DASS	193,090	4,289	-	23,110	(5,216)	13,124
MK Citizen	13,064	60	-	-	-	3,483
Baker Tilly	19,677	2,506	-	-	(18,700)	20,682
Women's	20,780	471	-	-	(569)	757
ProewaterhouseCoopers	-	2,500	-	-	(2,500)	24,389
the centre mk	5,393	1,757	(1,000)	1,579	(5,393)	154,442
NiftyLift	24,288	5,638	-	-	(7,116)	216
Visa Versa - The Cultural Citizenship Fund	490	2	(1,339)	4,498	(492)	191,940
Family Funds	144,129	13,186	-	-	(6,032)	154,442
Home Retail Group Fund	4,964	-	-	-	(4,748)	216
Edward Hurley Memorial Fund	192,475	890	-	-	(1,425)	191,940
Capacity Builders Fund	1,060	-	-	-	(1,060)	657,368
Grassroots Endowment Fund	650,747	36,360	-	2,421	(32,160)	3,250
Thames Valley Police	554	-	-	-	(554)	3,725
NHS Fund	11,115	3,725	-	-	(7,865)	20,999
Shoosmiths Fund	2,045	47,019	982	-	(2,045)	5,422
Surviving Winter	45,487	7,000	-	-	(72,489)	12,300
Balney Trust	-	5,200	-	-	(7,000)	-
NHBC	9,475	10,000	-	-	(9,253)	6,917
Open University Fund	10,000	-	(8,465)	-	(201,084)	129,279
Theresa Hill Memorial Fund	8,465	141,286	45,591	-	(1,725)	374
Local Giving	21,124	24,684	-	-	(16,021)	1,938,244
New Communities Fund	106,320	3,244	10,410	163,085	(2,046)	2,128
Jubilee Fund	2,741	381,461	153,023	-	(9,900)	47,702
Community First EMC	1,242,721	2,028	-	-	(1,250)	1,002
BSH Fund	10,000	45,492	-	3,460	(688)	4,000
Hopkinson Music Fund	-	1,700	1,000	-	(9,855)	7,000
Coventry Building Society Fund	-	8,955	-	-	-	10,000
Philanthropy Fellowship Fund	-	4,000	-	-	-	4,285,115
Grant Thornton Fund	-	7,000	-	-	-	10,141,527
VW Fund	-	10,000	-	-	-	-
Music Service Fund	-	-	-	-	-	-
<b>Total restricted funds</b>	<b>3,503,259</b>	<b>916,497</b>	<b>168,770</b>	<b>310,171</b>	<b>(613,582)</b>	<b>4,285,115</b>
<b>Total funds</b>	<b>10,002,800</b>	<b>2,478,859</b>	<b>2,347</b>	<b>2,347</b>	<b>(2,342,479)</b>	<b>10,141,527</b>

## Notes (continued)

### 21 Accumulated funds (continued)

#### 21.6 Accumulated funds - Analysis of group net assets at 31 March 2013

	Fixed Assets £	Investments £	Net Current Assets £	Long Term Liabilities £	Total £
<b>Unrestricted funds</b>					
Community Designated - Property	38,189	2,334,860	(18,164)	-	2,354,885
	4,938,689		351,027	(1,750,000)	3,501,527
<b>Total unrestricted funds</b>	<u>4,938,689</u>	<u>2,334,860</u>	<u>332,863</u>	<u>(1,750,000)</u>	<u>5,856,412</u>
<b>Restricted funds</b>					
Arts	-	721,896	(18,210)	-	703,686
Sport Relief	-	-	-	-	-
Margaret Powell (Grants)	-	-	107,413	-	107,413
MK DASS	-	148,933	66,340	-	215,273
MK Citizen	-	-	13,124	-	13,124
Baker Tilly	-	-	3,483	-	3,483
Women's	-	-	20,682	-	20,682
PricewaterhouseCoopers	-	-	-	-	-
thecentre.mk	-	-	757	-	757
NiftyLift	-	18,751	5,638	-	24,389
Visa Versa	-	-	-	-	-
The Cultural Citizenship Fund	-	138,763	15,679	-	154,442
Family Funds	-	-	216	-	216
Home Retail Group Fund	-	-	191,940	-	191,940
Edward Hurley Memorial Fund	-	-	657,368	-	657,368
Grausroots Endowment Fund	-	-	3,250	-	3,250
NHS Fund	-	-	3,725	-	3,725
Shoosmiths Fund	-	-	20,999	-	20,999
Winter Fuel	-	-	5,422	-	5,422
NHBC Fund	-	-	12,300	-	12,300
Open University Fund	-	-	6,917	-	6,917
Local Giving	-	-	129,279	-	129,279
New Communities Fund	-	-	374	-	374
Jubilee Fund	-	-	67,149	-	67,149
Community First Endowment Fund	-	1,871,095	2,128	-	1,938,244
BSH Fund	-	-	1,742	-	1,742
Hopkinson Music Fund	-	45,960	1,002	-	47,702
Cowentry Building Society Fund	-	-	4,000	-	4,000
Grant Thornton Fund	-	-	7,000	-	7,000
VW Fund	-	-	10,000	-	10,000
Music Service Fund	-	-	-	-	-
<b>Total restricted funds</b>	<u>2,945,398</u>	<u>810,435</u>	<u>1,672,580</u>	<u>(1,750,000)</u>	<u>4,285,115</u>
<b>Total funds</b>	<u>4,938,689</u>	<u>5,280,258</u>	<u>1,672,580</u>	<u>(1,750,000)</u>	<u>10,141,527</u>

**Notes (continued)**

**21 Accumulated funds (continued)**

21.7 Accumulated funds - Analysis of group net assets at 31 March 2013 (continued)

The community fund includes reserves of the subsidiary company

	Investment property revaluation reserve £	Profit and loss account £
At 1 April 2012	2,832,023	11,829
Retained result in year	-	(7,067)
Decrease on revaluation of investment properties	(595,861)	-
At 31 March 2013	2,236,162	4,762



**Notes** *(continued)*

**22 Grants made**

Analysis of grants made	Unrestricted Funds	Restricted Funds	Local Giving	Total
	£	£	£	£
Voluntary groups and charities	165,380	366,700	191,421	<b>723,501</b>
Individuals	-	16,000	-	<b>16,000</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total</b>	<b>165,380</b>	<b>382,700</b>	<b>191,421</b>	<b>739,501</b>
	<hr/>	<hr/>	<hr/>	<hr/>

A complete list of all grant recipients for the year can be found on our website  
[www.mkcommunityfoundation.co.uk/About-us/Our-Year-2012-2013](http://www.mkcommunityfoundation.co.uk/About-us/Our-Year-2012-2013)

Reconciliation of grants payable	2013	2012
	£	£
Total grants to Voluntary Groups and Charities	<b>726,960</b>	466,356
Total grants to Individuals	<b>16,000</b>	21,065
	<hr/>	<hr/>
Total grants paid	<b>742,960</b>	487,421
	<hr/>	<hr/>
Commitments at 1 April	<b>105,608</b>	85,939
Commitments made in the year	<b>746,493</b>	514,865
Grants cancelled or recovered	<b>(6,992)</b>	(7,775)
	<hr/>	<hr/>
Grants payable for the year	<b>739,501</b>	507,090
Grants paid during the year	<b>(742,960)</b>	(487,421)
	<hr/>	<hr/>
Commitments at 31 March	<b>102,149</b>	105,608
	<hr/>	<hr/>
<b>Commitments at 31 March are payable as follows</b>		
Within one year (see note 15)	<b>102,149</b>	105,608
	<hr/>	<hr/>