



Milton Keynes Community Foundation Limited

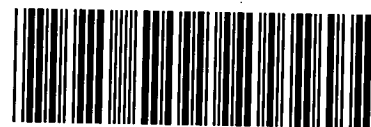
(a company limited by guarantee)

Trustees' annual report and financial statements of the Group

31 March 2014

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

It has been an exciting year of growth and innovation for us at MK Community Foundation. Thanks to the generous support of people like you - local individuals, families and businesses - we were able to provide £1.3million to local voluntary and community groups in 2013/14. We continue to provide significant support to the voluntary and community sector through our property company. In 2013/14 we awarded £512,204 in subsidised rents and have 34 plots of Community Foundation Land available for development by local organisations for the benefit of the wider community. We continue to identify growing areas of need and explore innovative strategies for increasing our impact in the community.

In December 2013, we received the single largest donation in MK Community Foundations' history to create the Margaret Powell Foundation Fund. Margaret Powell was one of Milton Keynes' most generous philanthropists committed to supporting the needs of the frail elderly and the disabled people in the unitary authority area of Milton Keynes. The £6.3 million endowed fund will provide in excess of £250,000 of support each year in perpetuity, as well as providing a leading light for investment in our community.

Milton Keynes was very proud to be a leading light in developing the Vital Signs initiative in the UK and be one of the eight pilots for UK Community Foundation's. Having worked in partnership with the Open University, we hosted what became the national launch of Vital Signs Research in October at the Open University. Our report gathered research and public consultation to provide a snapshot of our community across a number of diverse categories. I was pleased to read how Milton Keynes was leading the UK in many economic and labour market indices but as an organisation we are exceptionally concerned to learn that one in five – nearly 12,500 – children are living below the poverty line. Following the launch event, we brought together a wide range of stakeholders and community members at our Vital Thinking events to begin to explore how to address the challenges identified in the research.

Following the purchase of Midsummer House (now known as Margaret Powell House) in December 2012, we undertook an ambitious programme of renovation and improvement to further our charitable objectives to grow and support the voluntary sector. In May 2013 the building re-opened with state of the art meeting and conferencing facilities, small business units and a cafe. Voluntary sector tenants and meeting room users, who are eligible to apply for subsidised rents and reduced booking fees, have been joined by many commercial organisations in using these exceptional facilities.

The MK Community Foundation Bursary programme expanded this year to include the first award of the Adams Prize for Innovation in Engineering, in partnership with MK College. Talented young people from our community shared over £20k in bursaries in the areas of sport, art, traditional crafts and music.

We continued to build a network of Philanthropy Fellows in Milton Keynes through an ambitious programme of events and activities exploring philanthropy and strategic approaches to the complex challenges facing our community. Highlights included an Oxford Student Union debate with other Thames Valley Community Foundations, an event where different generations of families discussed how to make a lasting impact in our community and the International Women's Day Donor Circle, where 120 women collaborated to raise over £10k to support three excellent local charities.

The MK Community Foundation Car Raffle reached two important milestones in 2013, reaching a target of £1million raised for local community groups during its 25 year history. Our long partnership with Volkswagen UK & centre:mk is a great example of corporate philanthropy in action.

Milton Keynes charities are one of the biggest success stories on Localgiving.com, a UK wide online giving portal. Working with our local charities and community groups in Milton Keynes we've raised £231,687 through Local Giving, for these organisations building and growing their supporter base for future sustainability.

Building on the success of this year, our plans for 2014/15 are equally ambitious. We could not achieve all that we have and all that we wish to without a team of exceptionally talented and dedicated people.

I would like to thank my fellow trustees, our President, Vice-Presidents and Ambassadors for the significant contribution they make in promoting the values and work of the Community Foundation, the Community Representatives who give their time and expertise to our grants and monitoring panels and the members of our staff whose dedication and enthusiasm drive our vision forward, and you, our generous donors who make so much of this possible – thank you.

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>	www.mkcommunityfoundation.co.uk

Investment Managers

UBS AG
1 Finsbury Avenue
London
EC2M 2AN

Auditor

Grant Thornton UK LLP
Grant Thornton House
202 Silbury Boulevard
Central Milton Keynes
MK9 1LW

Solicitors

emw law
Seckloe House
101 North 13th Street
Central Milton Keynes
MK9 3NX

Property Manager

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. Letters designating membership of a committee are; Finance Committee (F), Grants Committee (G), and Property Board (P). More information regarding Committees is shown on pages 7 and 8 and further details of the Trustees can be found on our website www.mkcommunityfoundation.co.uk/About-us/Our-people/Our-trustees-and-advisers

Melanie Beck	(Appointed 12 September 2013)
Richard Brown	P
Philip Butler	Deputy Chair, Chair of Property Board, P
Steve Harris	Chair of Finance Committee, F
Judith Hooper	(Re-appointed 12 September 2013), F
Peter Kara	F,P
Roger Kitchen	P
Fola Komolafe	Chair
Jane Matthews	G
Michael Murray DL	F,P,G
John Moffoot MBE DL	G
Stephen Norrish MBE	
Lawrence Revill	(Appointed 12 September 2013),P
Peter Selvey	Treasurer (Re-appointed 12 September 2013), F
Francesca Skelton DL	(Re-appointed 12 September 2013), F,G
Ruth Stone	(resigned 12 September 2013)

Senior Executive

Julia Upton	Chief Executive
Bart Gamber	Directors of Programmes
Laura Keen	Director of Finance
Danielle Porteous	Director of Marketing and Fund Development

Trustees' annual report (continued)

The trustees have pleasure in presenting their annual report and audited financial statements for the year ended 31 March 2014.

The financial statements comprise the group accounts of Milton Keynes Community Foundation (the "Community Foundation") and its wholly owned subsidiary, MK Community Properties Limited. 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 20 to 42 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 21.4.

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 £2,998,486 creating an endowed fund of £8,515,447 which will continue to grow over the next two years of the programme.

Trustees' annual report *(continued)*

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 2014, 139 (2013: 114) local groups had taken advantage of this exciting new facility and have raised £431,647 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. This funding ran out in August 2013 but we have decided to make this role permanent, ensuring local groups can continue to take advantage of this fund raising opportunity.

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 16 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 2014 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 third year of the plan the Community Foundation had:

Fund Development & Communications

- Continued to develop 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, held a number of successful events, the highlights of which were the Fete Champetre, a Christmas Philanthropy Reception and an Oxford Union Debate.
- Announced our first two Philanthropy Fellows.
- Continued to raise funds for the Community First match challenge securing a further £2,216,368 in match funding for Milton Keynes. This included the establishment of a £375k Art Fund within the Community First Programme and also the transfer of the Powell Foundation funds creating a £6.3m fund generating over £250,000 a year for grant making
- Set up 2 new family fund and 3 new corporate funds.
- Celebrated 25 years of the car raffle with our partners VW and the centre:MK.
- Secured a grant from the Nominet Trust to develop a new website.

Grants

- Increased the number of local groups on localgiving.com to 139 and ran two successful match challenges allowing £222,990 to be distributed to the groups in the year.
- Awarded our £8K Arts Bursary for the 5th year at MK Gallery.
- Awarded the Adams Traditional Craft Bursary at our International Women's Day Tea.
- Awarded the first Adams Engineering Prize Bursary, in partnership with MK College.
- Formed a new partnership with the City Orchestra and awarded four Music Bursaries at their Viennese Concert at MK Theatre.
- Increased our Sports Bursaries to £2K each and presented an award to each of our four young winners at the Sports Aid Lunch.
- Secured two new large Comic Relief Grants totalling £60k for two MK organisations; MK Christian Foundation and the Arts Centre Great Linford.
- Shortlisted three groups out of 45 applications for our STEP Grant and ran a public vote with our new media partner, MK News.
- Held the national launch of Vital Signs in October 2013 at a successful event at the Open University. This was the culmination of a year's work involving focus groups, online surveys and statistical information provided by Local Futures. We went on to hold two Vital Thinking Events and set aside a fund of £75K to be accessed once our Vital Actions have been decided.

Property Company

- Continued to engage with Parish and Town Councils to keep them informed about Community Foundation Land Sites (CFL) in their area.
- Granted a long lease to The Sri Lankan Muslim Association for our site at Fishermead.
- Worked with our Property Asset Manager to develop property plans particularly in relation to the community land available in the Eastern Expansion Area.
- Began rolling out signage around our properties in line with our new brand.
- Continued to investigate the 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/Margaret Powell House

- Used vacant space within Acorn House and Margaret Powell House to create further small business units taking the total to 32 across the two buildings. These can be hired on a flexible basis. The opportunity was also taken to relocate all of the meeting and conferencing facilities to the third floor of the building making the running of the venue more efficient and minimising the disruption to building tenants.
- Completed the refurbishment of Margaret Powell House creating a top floor meeting and conferencing area and a welcoming reception area with coffee shop and a small meeting room.
- Margaret Powell House was formally opened on 21 June 2013 by the Lord Lieutenant of Buckinghamshire.
- Developed a relationship with Capita and Accenture, who are meeting organisers for large companies, enabling our bookings to increase and utilising our additional capacity in Margaret Powell House.

Governance

- Recruited two Trustees to add further skills to the Board.
- Began a review of our Risk Review procedures and reporting with the aim to reduce the number of risks on the register.
- Undertook our next level of Quality Accreditation and passed with an "exemplar performance – defined as meeting the highest standards for community foundations"

Committees

Finance Committee

Finance Committee meets five times every year and has six trustee members. The aim of this committee is to focus on the following areas and make recommendations to the Board:

- Regularly review financial information of the company.
- Set a budget that will achieve the strategic objectives agreed by the Board.
- Review and manage risks to the company.
- Liaise with the Investment Managers with regards investment performance.
- Liaise with Auditors in production of the annual financial statements.
- Consider financial viability of special projects.

Attendance of this committee is 74%.

Trustees' annual report *(continued)*

Grants Committee

The Grants Committee meets five times a year and has four trustee members assisted by 16 Community Representatives. The aims of this committee are:

- To review applications for grants, provide information and prioritize applications
- To regularly review Grants policy in line with the changing needs of the voluntary sector and our strategic aims.

Attendance of this committee is 92%

Property Board

Property Board meets five times every year. The Board consists of eight Directors of which seven are Trustees of this company. The remit of this Board is as follows:

- Regularly review financial information of the property company
- Ensure the property company's objectives align with those of the Community Foundation
- Approve the budget recommended by the Finance Committee
- Manage the risks of the property company
- Consider applications for use of CFL sites
- Identify property projects, with the assistance of Finance Committee if needed.

Attendance of this committee is 66%.

Trustees' annual report *(continued)*

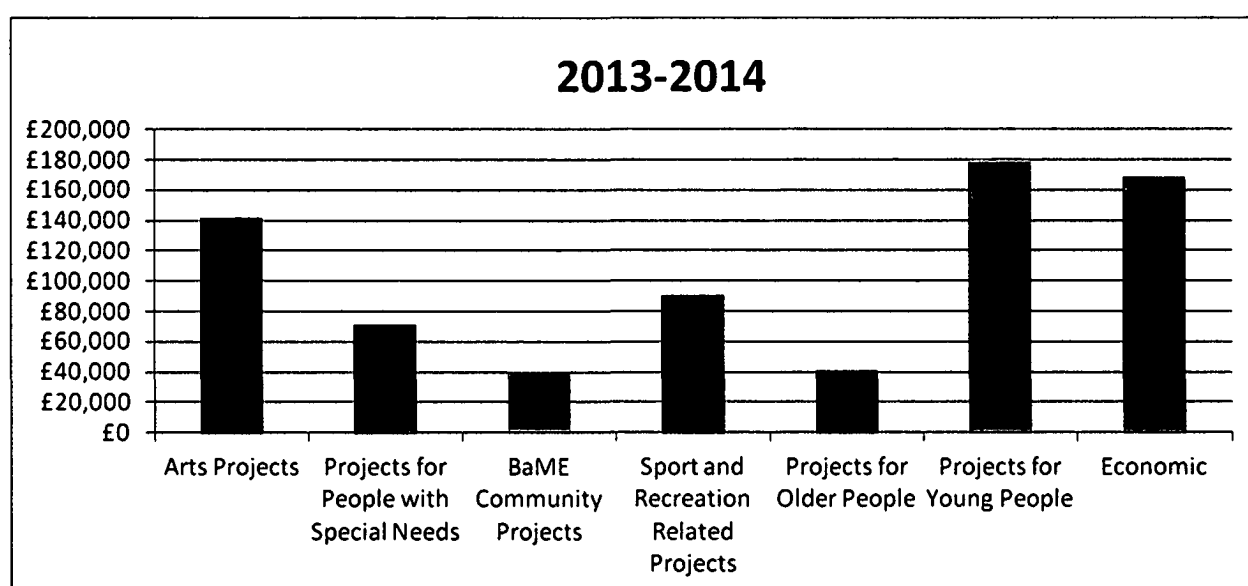
Achievements and Performance

Total support provided by the Community Foundation to the Voluntary and Community sector during the financial year ended 31 March 2014 totalled £1,290,015 (2013: £1,262,359).

Grant Making

The amount of £513,909 (2013: £548,080) was awarded in grants by the Community Foundation during the year. The grants awarded in the year ended 31 March 2014 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 164 local organisations in order to support 196 projects that covered a wide range of initiatives in Milton Keynes during the year to 31 March 2014. In addition 3 grants were awarded to individuals within the local arts community, 5 grants were awarded to local musicians and 5 grants were awarded to individuals as part of our sports bursary programme.

The level of grant making achieved during the year means that the Community Foundation has now awarded in excess of £9m in grants since 1986.

In addition, £222,990 was distributed to local groups through the Local Giving Project.

Trustees' annual report (continued)

MK Community Properties Limited

The Community Foundation's subsidiary company, MK Community Properties Limited, 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 Limited purchased Margaret Powell 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 has been 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 226,478 square feet (2013:232,391 square feet) of accommodation to be let along with 47 (2013:47) Community Foundation Land (CFL) sites. As at 31 March 2014, void space within the portfolio totalled 20,359 square feet (2013: 21,689 square feet) and, therefore, 91% (2013:90.5%) of the total portfolio is currently let. This, together with CFL sales, has meant that the trading profit of the Property company for the year amounted to £392,724 (2013: £157,919) and under the terms of gift aid a payment of £300,000 (2013: £130,000) 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 £512,000 (2013: £484,000) for the year to 31 March 2014.

Donations Received

During the year to 31 March 2014 voluntary income received by the Community Foundation totalled £7,295,022 (2013: £1,079,981). This included the transfer of the Margaret Powell Foundation funds of £6,194,443.

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 three new donor-restricted funds as well as two 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/Margaret Powell House Flagship Site

The Conference and Meeting Room facilities across both Acorn House and Margaret Powell House are going from strength to strength. Bookings over the past year have increased in Acorn House Facilities, and following the opening of Margaret Powell House in June 2013, over 470 bookings have been made. The demand for the large conferencing suite is such that an additional Conference Room has been created in Margaret Powell House. We are finding that most weeks we have at least 3 days where the rooms are at full capacity.

We have now contracted with the largest booking agent in the UK, Capita, who are constantly using the facilities and account for at least 50% of the business.

Requirements for small business units have also increased. To increase capacity an area of void space in Margaret Powell House was converted into 6 further units. The number of Small Business Units has now increased to 35 of which 33 are currently occupied and interest is being shown in the other 2.

Trustees' annual report *(continued)*

Community Foundation Land 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 to deliver maximum public benefit.

In September 2013 a long term lease for the Fishermead 9B site was granted to The Sri Lankan Muslim Association to enable them to build a Community Centre.

Two 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 2015) and Granby which is reserved by KSI Muslim Community (reservation extended to 8 June 2014).

Financial Review

During the financial year ended 31 March 2014 the Community Foundation generated a net surplus before other recognised gains and losses of £6,702,523 (2013: £195,676).

As a result of the transfer of the Margaret Powell Foundation funds of £6,194,443 and the improvement in the property portfolio valuation, the total value of the Community Foundation's funds has increased to £16,888,179 (2013: £10,141,527). 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 2014 totalled £8.7m (2013: £1.9m). This is an increase from the previous year, due to the success of the Community First Endowment Match Challenge, and in particular the transfer of the Margaret Powell Foundation assets.

Resources Expended

Out of the 354 applications received by the Foundation, 196 grants were awarded (2013: 239 grants awarded) totalling £513,909 (2013: £548,080) providing support to 164 local charities and voluntary and community organisations and 13 individuals. Of these awards, £62,218 remained unpaid at the year-end (2013: £102,149). In addition, £222,990 (2013: £191,421) 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 2014 amounted to £2,417,686 (2013: £2,342,479). 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 Margaret Powell 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 80p of every £1 raised from property income (2013: 89p of every £1). This is as a result of level of occupancy within the property portfolio and the three month delay in opening Margaret Powell House.

Investments

The group's investments were valued at the year-end at £12,633,979 (2013: £5,280,258). The majority (81% of year end value) of these investments were held by CCLA in their Charities Ethical Common Investment Fund. During the year we were informed by Newton Asset Management Ltd that they would no longer operate discretionary investment management for a portfolio of our size. After a tendering process, the Board appointed UBS AG as our new investment managers. Direct investment in Equities formed 0.006% of the investments and 19% held the segregated fund managed by the investment managers UBS AG. Details of the type of investments held by the Community Foundation are set out in note 13 to the financial statements.

Despite improvements in the Eurozone, investment performance during the year to 31 March 2014 continued to be unsteady. Developments in Ukraine set back early gains in both the UBS and the CCLA portfolios.

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 UBS AG. The performance of the funds managed by UBS AG and will be compared regularly with the PM UK Growth benchmark.

Under the terms of the Community First Endowment Match Challenge all funds raised under this program must be held at CCLA. Also seven of the restricted donor funds and the Grassroots Endowment Challenge funds were all 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 Limited. 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 2014 by external valuers Louch Shacklock, 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).

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 £8,515,447 at 31 March 2014 and will be building on this over the final year of the Programme. At 31 March 2014 the amount of unrestricted funds was £6,090,486 (2013: £5,856,412).

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.

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 team are continuing to develop our philanthropy services to members and supporters. This year we aim to increase donor support through a number of events and activities aimed at both new and committed supporters.

Our main fundraising campaign in 2014 will focus on addressing issues that contribute to 12,500 children living below the poverty line in Milton Keynes, as reported in our Vital Signs publication in October 2013. The campaign will run during the summer months and aims to raise £50,000.

We continue to work with our neighbouring Community Foundations (Berkshire, Buckinghamshire and Oxfordshire) to develop a network of philanthropists across the Thames Valley. The project has been supported by a grant from Esmée Fairbairn Foundation and will formally come to an end in December 2014. We are exploring with our partner Community Foundations how the partnership will proceed in future. Last year Milton Keynes welcomed its first Philanthropy Fellows and we hope to grow our local network to 20 members this year. Having achieved our year three targets in the Community First Match programme, we hope to access additional match from the national pot in the final year of the programme and are working with a number of donors to realise this.

Our programme of philanthropy focused activities will continue with several flagship events. TEDxMiltonKeynes, presented in partnership with the Open University, will explore ideas around the theme of 'Generosity, Greed and the Greater Good'. We will expand our partnership with MK City Orchestra to co-present a special International Women's Day performance.

Trustees' annual report (continued)

Meeting the Challenges of Growth

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

- Continuing to promote the Café and Gallery Space on the ground floors for displays and events
- To maintain relationships with our Venue clients to ensure the use of the facilities continues to grow.
- Recruiting volunteers to provide extra resource.

The Property Task Group will also be looking at opportunities we may have for redeveloping Acorn House and Margaret Powell 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 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.

MK Community Foundation is also a member of the UK Community Foundation (UKCF), an umbrella body representing Community Foundations across the United Kingdom. A membership fee is paid annually. To retain membership of this organisation, the Community Foundation must comply with a number of criteria.

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. In October 2013 we undertook the next stage of our accreditation and again received an "exemplar performance" rating.

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, potential trustees of the Community Foundation are either invited to apply to the Board or can be nominated by a member of the Community Foundation. 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 involves the Chief Executive. Successful applicants are recommended to join the Board. All appointments as trustees are confirmed at the Community Foundation's general meeting.

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 15 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, Grants and Property Board, 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. The attendance at Board Meetings in the year was 69%.

Indemnity insurance has been taken out in respect of the trustees as detailed in note 20 to the financial statements.

Trustees' annual report (continued)

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. The Key Risks identified were:

- Future rises in interest rates
- Increased level of voids in the property portfolio
- Increasing difficulty in retention and recruitment of staff.

Funds Held as Custodian Trustee on Behalf of Others

In past years the MK Community Foundation has acted as agents for the trustees of a separate charity, The Powell Foundation, which was registered with the Charity Commission. The Community Foundation managed and administered The Powell Foundation's grants programme for which it received an administration grant.

During the year ended 31 March 2014, the trustees of the Powell Foundation decided to transfer all of the funds to the Community Foundation, taking advantage of the 50% match offered by the Community First Programme, creating an endowed Margaret Powell Fund of £6,336,958 to benefit the disabled and frail elderly of Milton Keynes in perpetuity.

Small Company provisions

In preparing this report, the Trustees have taken advantage of the small companies exemption provided by section 415A of the Companies Act 2006.

Auditor

Grant Thornton UK LLP offer themselves for reappointment as auditor.

On behalf of the board



Fola Komolafe
Chair

Date: 10 July 2014

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
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in business

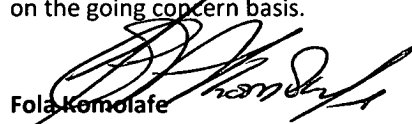
The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with 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: 10 July 2014

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 2014 which comprise the group statement of financial activities (incorporating an Income and Expenditure account), the group and Milton Keynes Community Foundation Limited (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 17, 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 Financial Reporting Council'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 2014 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.
- the Trustees are not required to prepare financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report.

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: *4 August 2014*

Group Statement of Financial Activities (incorporating an Income and Expenditure Account)
for the year ended 31 March 2014

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2014 £	Total 2013 £
Incoming resources					
Incoming resources from generated funds					
Voluntary income	2	294,190	7,000,832	7,295,022	1,079,981
Margaret Powell Foundation transfer		-	6,194,443	6,194,443	-
Other Voluntary income		294,190	806,389	1,100,579	1,079,981
Activities for generating funds		37,578	-	37,578	33,452
Investment income	3	1,099,503	219,239	1,318,742	877,855
Total incoming resources from generated funds		1,431,271	7,220,071	8,651,342	1,991,288
Incoming resources from charitable activities – Trading subsidiary	4	416,940	-	416,940	487,571
Total incoming resources		1,848,211	7,220,071	9,068,282	2,478,859
Resources expended					
Costs of generating funds					
Costs of generating voluntary income	7	348,375	1,189	349,564	367,731
Fundraising trading costs	7	7,982	-	7,982	11,535
Investment management costs	7	733,603	10	733,613	572,255
Interest payable		70,157	-	70,157	20,128
Total costs of generating funds		1,160,117	1,199	1,161,316	971,649
Charitable activities					
Grants made		323,993	597,442	921,435	919,275
Property company trading subsidiary		298,030	-	298,030	414,732
Total charitable expenditure	8	622,023	597,442	1,219,465	1,334,007
Governance costs	7	36,772	133	36,905	35,763
Other resources expended	7	-	-	-	1,060
Total resources expended		1,818,912	598,774	2,417,686	2,342,479
Net incoming resources for the year		29,299	6,621,297	6,650,596	136,380
Fund Transfers	21	(600)	600	-	-
Adjusted incoming resources for the year		28,699	6,621,897	6,650,596	136,380
Realised gains on investments		50,465	1,462	51,927	59,296
Net income for the year		79,164	6,623,359	6,702,523	195,676
Other recognised gains and losses					
Unrealised gains/(losses) on investments		19,928	(110,781)	(90,853)	538,912
Revaluation of freehold and leasehold properties	12	134,982	-	134,982	(595,861)
Net movement in funds		234,074	6,512,578	6,746,652	138,727
Fund balances brought forward at 1 April		5,856,412	4,285,115	10,141,527	10,002,800
Fund balances carried forward at 31 March		6,090,486	10,797,693	16,888,179	10,141,527


All activities of the group are classed as continuing.

Group balance sheet

at 31 March 2014

	Note	2014 £	2013 £
Fixed assets			
Tangible assets	12	5,421,596	4,938,689
Investments	13	12,633,979	5,280,258
		<hr/>	<hr/>
		18,055,575	10,218,947
Current assets			
Debtors	14	515,761	438,644
Cash at bank and in hand		651,213	1,931,550
		<hr/>	<hr/>
		1,166,974	2,370,194
Creditors: Amounts falling due within one year	15	(584,370)	(697,614)
		<hr/>	<hr/>
Net current assets		582,604	1,672,580
Creditors: Amounts falling due after one year	16	(1,750,000)	(1,750,000)
		<hr/>	<hr/>
Net assets		16,888,179	10,141,527
		<hr/>	<hr/>
Income funds			
Unrestricted funds			
Community	21	2,453,977	2,354,885
Designated	21	3,636,509	3,501,527
		<hr/>	<hr/>
		6,090,486	5,856,412
Restricted funds	21	10,797,693	4,285,115
		<hr/>	<hr/>
		16,888,179	10,141,527
		<hr/>	<hr/>

These financial statements were approved by the Board of Trustees on 10 July 2014 and were signed on its behalf by:


Fola Komolafe
Chair

Peter Kara
Trustee

Company number 2032715

The accompanying notes form part of these accounts.

Milton Keynes Community Foundation Limited (charitable company) balance sheet
at 31 March 2014

	Notes	2014 £	2013 £
Fixed assets			
Investments	13	12,633,979	5,280,258
Investments in subsidiary undertaking	13	400,000	400,000
		<hr/>	<hr/>
		13,033,979	5,680,258
Current assets			
Debtors	14	1,324,601	1,013,479
Cash at bank and in hand		184,211	1,352,395
		<hr/>	<hr/>
		1,508,812	2,365,874
Creditors: Amounts falling due within one year	15	(88,426)	(145,537)
		<hr/>	<hr/>
Net current assets		1,420,386	2,220,337
		<hr/>	<hr/>
Net assets		14,454,365	7,900,595
		<hr/> <hr/>	<hr/> <hr/>
Income funds			
Unrestricted		3,656,672	3,615,480
Restricted		10,797,693	4,285,115
		<hr/>	<hr/>
		14,454,365	7,900,595
		<hr/> <hr/>	<hr/> <hr/>

These financial statements were approved by the Board of Trustees on 10 July 2014 and were signed on its behalf by:


Fola Komolafe
Chair

Peter Kara
Trustee

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 2014	Total 2013
	£	£	£	£
Donations received	74,994	4,732,398	4,807,392	649,958
Donations in kind	120,868	-	120,868	118,917
Funding from government agencies	-	2,268,434	2,268,434	192,395
Grants received for administration costs	98,328	-	98,328	118,711
	<hr/>	<hr/>	<hr/>	<hr/>
Total	294,190	7,000,832	7,295,022	1,079,981
	<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 2014	Total 2013
	£	£
Membership and other donations:		
- Discretionary rates relief	17,583	18,393
- Website development & support	7,500	5,145
- Computer Network Support	1,000	480
- Office cleaning	2,383	2,059
	<hr/>	<hr/>
	28,466	26,077
Community Car Raffle		
- Site	60,000	60,000
- 1 st Prize	12,825	10,825
- Site Marketing	2,070	3,354
Newspaper advertorial	4,859	6,169
Photography	9,000	10,350
Venues for philanthropy events	2,180	500
Vital Signs surveys	-	1,350
Office Equipment	190	-
Design work	1,278	292
	<hr/>	<hr/>
Total	120,868	118,917
	<hr/>	<hr/>

Notes (continued)

3 Investment income

Investment income comprises income from:

	Unrestricted Funds £	Restricted Funds £	Total 2014 £	Total 2013 £
Listed investments	104,354	219,239	323,593	237,653
Property company trading subsidiary turnover	995,149	-	995,149	640,202
	<hr/>	<hr/>	<hr/>	<hr/>
	1,099,503	219,239	1,318,742	877,855
	<hr/>	<hr/>	<hr/>	<hr/>

4 Incoming resources from charitable activities

Incoming resources from charitable activities comprises income from:

	Total 2014 £	Total 2013 £
Property company rental and service charge income	313,260	453,521
Sales of Community Foundation Land sites	103,680	34,050
	<hr/>	<hr/>
	416,940	487,571
	<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 2014 £	Total 2013 £
Turnover	1,412,089	1,085,680
Cost of sales	(626,343)	(600,870)
	<hr/>	<hr/>
Gross profit	785,746	484,810
Administration expenses	(393,022)	(326,891)
	<hr/>	<hr/>
Trading profit	392,724	157,919
Net interest	(84,824)	(34,986)
	<hr/>	<hr/>
Net income	307,900	122,933
Amount Gift Aided to Milton Keynes Community Foundation	(300,000)	(130,000)
	<hr/>	<hr/>
Retained in subsidiary	7,900	(7,067)
	<hr/> <hr/>	<hr/> <hr/>

Balance Sheet

Tangible assets	5,421,596	4,938,689
Net current liabilities	(362,790)	(22,765)
Creditors falling due after more than one year	(2,275,000)	(2,275,000)
	<hr/>	<hr/>
Total net assets	2,783,806	2,640,924
	<hr/> <hr/>	<hr/> <hr/>
Called up share capital	400,000	400,000
Investment property revaluation reserve	2,371,144	2,236,162
Profit and loss account	12,662	4,762
	<hr/>	<hr/>
Total	2,783,806	2,640,924
	<hr/> <hr/>	<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 £6,612,112 (2013: £324,177), 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 2014 £	Total 2013 £
Generating voluntary income	-	178,442	-	-	131,016	40,106	349,564	367,731
Fundraising trading	-	2,900	-	-	4,432	650	7,982	11,535
Investment management	711,335	1,516	20,422	-	-	340	733,613	572,255
Charitable activities	298,030	86,527	-	-	24,425	55,040	464,022	578,123
Governance	-	20,242	-	10,000	2,122	4,541	36,905	35,763
Other resources expended	-	-	-	-	-	-	-	1,060
	<u>1,009,365</u>	<u>289,627</u>	<u>20,422</u>	<u>10,000</u>	<u>161,995</u>	<u>100,677</u>	<u>1,592,086</u>	<u>1,566,467</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	58%	29%	1%	6%	6%
Director of Marketing & Business Development	92%	-	-	5%	3%
Director of Finance	43%	18%	4%	12%	23%
Director of Programmes	36%	20%	-	42%	2%
Executive Assistant	52%	20%	-	2%	26%
Finance Officer	48%	10%	1%	33%	8%
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/Comic Relief Fund	Themed Funds	Total
	£	£	£	£	£	£
Generating voluntary income	348,375	948	-	-	241	349,564
Fundraising trading	7,982	-	-	-	-	7,982
Investment management	733,603	8	-	-	2	733,613
Charitable activities	428,177	459	739	5,061	29,586	464,022
Governance costs	36,772	108	-	-	25	36,905
	<u>1,554,909</u>	<u>1,523</u>	<u>739</u>	<u>5,061</u>	<u>29,854</u>	<u>1,592,086</u>

8 Analysis of charitable expenditure

The Community Foundation undertakes its charitable activities through grant making. In the year ended 31 March 2014 it awarded grants totalling £736,899 (2013: £739,501) to a number of voluntary and community groups and individuals in furtherance of its charitable activities (see Note 22). It also paid £18,544 (2013: £16,383) 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 2014	Total 2013
	£	£	£	£
Grants awarded	755,443	165,992	921,435	919,275
Trading subsidiary costs	298,030	-	298,030	414,732
	<u>1,053,473</u>	<u>165,992</u>	<u>1,219,465</u>	<u>1,334,007</u>

Notes (continued)

9 Analysis of governance costs

	2014 £	2013 £
Trustee costs	1,888	1,952
Staff related costs	20,937	18,924
Office costs	2,079	2,045
Audit fees	10,000	9,500
Legal and professional fees	97	459
Other costs	1,904	2,883
	<hr/>	<hr/>
	36,905	35,763
	<hr/>	<hr/>

10 Analysis of staff costs

	2014 £	2013 £
Salary related costs		
Wages and salaries	393,765	367,864
Social security costs	35,717	32,402
	<hr/>	<hr/>
	429,482	400,266
	<hr/>	<hr/>

One employee earned between £60,001 and £70,000 (2013: Nil).

The average number of employees was 15.3 (2013: 14.3), excluding trustees. This can be analysed as follows:

	2014	2013
Salary related costs		
Marketing and development	5.0	5.0
Charitable activities	2.4	2.4
Operations	5.3	4.3
Finance and governance	2.6	2.6
	<hr/>	<hr/>
	15.3	14.3
	<hr/>	<hr/>

No trustee received any remuneration during the year (2013: £Nil), no trustee was reimbursed for expenses during the year (2013: £32.30).

Notes *(continued)*

11 Analysis of operating costs

	2014	2013
	£	£
Auditors' remuneration includes:		
Audit of the financial statements of the charitable company's subsidiary pursuant to legislation	10,000	9,500
Other services relating to taxation	2,750	11,000
Pension advice	800	-
	<hr/>	<hr/>
	13,550	20,500
	<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 2014 the value of this rent subsidy was £20,927 (2013: £23,285). The subsidiary's trading costs includes a depreciation charge for the year of £30,500 (2013: £12,680).

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 2014. 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 12 September 2013.

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 2013	4,422,500	478,000	307,056	5,207,556
Additions during the year	263,518	-	119,519	383,037
Revaluation	3,982	131,000	-	134,982
Disposals	-	-	(5,699)	(5,699)
At 31 March 2014	4,690,000	609,000	420,876	5,719,876
Depreciation				
At 1 April 2013	-	-	268,867	268,867
Provided in the year	-	-	30,500	30,500
Disposals	-	-	(1,087)	(1,087)
At 31 March 2014	-	-	298,280	298,280
Net book amount				
At 31 March 2014	4,690,000	609,000	122,596	5,421,596
At 31 March 2013	4,422,500	478,000	38,189	4,938,689

The investment properties were valued at 31 March 2014 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 £2,952,041 (2013: £2,664,338). 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

The unrestricted endowment fund is mainly held in a segregated fund. Historically this has been managed by Newton Investment Management Limited. During the year a tender process occurred and it was decided to move management of investments to UBS AG. At 31 March 2014 no single holding within this part of the portfolio represented more than 5% of the value of the fund (2013: none). In addition, the Community Foundation has direct equity holdings of 295,000 (2013: 295,000) 5p shares in DRS Data and Research Services PLC with an open market value at 31 March 2014 of £75,225 (2013: £52,363). During the year a further £6,669,699 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 2014 these funds had an open market value of £8,345,323. In addition the remainder of our named endowment funds were also placed with CCLA in the same Charities Ethical Common Investment Fund. At 31 March 2014 these funds had an open market value of £1,877,152. Total funds invested with CCLA represented 81.1% of the total investment portfolio.

These investments are analysed as follows:

	2014 Total £	2013 Total £
Equities	1,934,086	2,441,243
Corporate Bonds	305,968	190,233
British Government Bonds	-	483,158
Common Investment Funds	10,222,470	2,047,414
Cash/Deposits	171,455	118,210
	<hr/> 12,633,979 <hr/>	<hr/> 5,280,258 <hr/>

All investments are quoted investments.

	2014 Total £	2013 Total £
Valuation at 1 April	5,280,258	5,168,754
Disposals	(4,691,028)	(1,966,728)
Additions	12,135,602	1,539,320
Increase in market value during the year	(90,853)	538,912
	<hr/> 12,633,979 <hr/>	<hr/> 5,280,258 <hr/>
Valuation at 31 March	12,633,979	5,280,258

The historical cost of investments held at 31 March 2014 was £10,160,354 (2013: £4,390,900).

Notes (continued)

13 Investments (continued)

The Company

Investment in subsidiary undertaking

	£
Cost at 1 April 2013 and 31 March 2014	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 2014 as a property ownership and management company.

14 Debtors

	Group		Milton Keynes Community Foundation	
	2014	2013	2014	2013
	£	£	£	£
Trade debtors	136,478	174,655	-	-
Accrued income	134,026	133,922	-	-
Other debtors and prepayments	245,257	130,067	185,056	63,385
Due from subsidiary company	-	-	1,189,545	950,094
	<u>515,761</u>	<u>438,644</u>	<u>1,374,601</u>	<u>1,013,479</u>

Included in group accrued income is £134,026 (2013: £86,307) relating to sales proceeds of Community Foundation Land which are due in more than one year. Included in the amount due from subsidiary company are two loans totalling £525,000 (2013: £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 is at 1.5% above base rate.

15 Creditors: amounts falling due within one year

	Group		Milton Keynes Community Foundation	
	2014	2013	2014	2013
	£	£	£	£
Trade creditors	142,931	67,336	-	-
Social Security and other taxes	29,125	46,868	9,755	9,697
Other creditors	118,740	93,390	-	-
Deferred income	170,057	187,267	11,000	19,854
Accruals	61,299	200,604	5,453	13,837
Grants payable (see note 22)	62,218	102,149	62,218	102,149
	<u>584,370</u>	<u>697,614</u>	<u>88,426</u>	<u>145,537</u>

Notes (continued)

16 Creditors: amounts falling due after one year

	Total 2014 £	Total 2013 £
Due within two to five years:		
Bank Loan	1,750,000	1,750,000
	<hr/>	<hr/>
	1,750,000	1,750,000
	<hr/>	<hr/>

On 18 December 2012, MK Community Properties Limited took out a three year interest only loan from Handelsbanken for £1.75M to fund the purchase and refurbish Margaret Powell 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 3.86923% until 18 June 2014. The loan is secured by a fixed charge over Margaret Powell 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 2014 there were no capital commitments (2013: £226,099).

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 Foundation Land 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 £512,000 per annum for the year to 31 March 2014 (2013: £484,000). Two 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 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 Trustees, Ms M Beck, is also a director of a company that is a tenant in Acorn House (MK City Centre Management Limited). This lease agreement was commercially negotiated on an arm's 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 2014.

Related party transactions

	MKCCM £	MKCF £	ITC £
Rent	802	14,461	3,999
Service charge/insurance	1,004	5,706	3,185
Meeting rooms etc	167	3,618	-
Total charges during the financial year	1,973	23,785	7,184
Balance due from (to) tenant at 31 March 2014	1,726	1,194	21

During the financial year, MK Community Properties Limited purchased catering services from Milton Keynes Christian Foundation Ltd amounting to £29,492 (2013: £17,438). These purchases were made at arm's length. At 31 March 2014 the balance due to Milton Keynes Christian Foundation Ltd was £3,875 (2013: £2,320).

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 £nil (2013: £4,701). In addition, the Community Foundation received a grant of £142,000 (2013: £97,000) 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 £22,764 (2013: £15,713) from The Powell Foundation towards the costs it incurs in administering these grants. In February 2014 The Powell Foundation transferred all of its assets to MK Community Foundation.

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 Limited, 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 (2013: £1,952).

21 Accumulated funds

Milton Keynes Community Foundation maintains a number of separate funds, the movement on which is detailed in note 21.4 below and the net assets of which are analysed in note 21.5 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).

Details of the funds are as follows:

Unrestricted fund

21.1 Community Fund £2,453,977

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.

Designated funds

21.2 Property Fund £3,636,509

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

21.3 Various £10,797,693

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

www.mkcommunityfoundation.co.uk/About-us/Our-Year-2013-2014

Notes (continued)

21 Accumulated funds (continued)

21.4 Accumulated funds - Analysis of group income and expenditure

	Balance at 01/04/13	Incoming Resources	Transfers	Revaluation of Investment Assets	Resources Expended	Balance at 31/03/14
	£	£	£	£	£	£
Unrestricted funds						
Community	2,354,885	1,848,211	(600)	70,393	(1,818,912)	2,453,977
Designated - Property	3,501,527	-	-	134,982	-	3,636,509
Total unrestricted funds	5,856,412	1,848,211	(600)	205,375	(1,818,912)	6,090,486
Restricted funds						
Arts	703,686	33,391	(250,000)	(9,468)	(16,923)	460,686
Sport Relief	-	84,692	-	-	(76,268)	8,424
Margaret Powell (Grants)	107,413	142,400	-	-	(88,721)	161,092
MK DASS	215,273	5,368	-	(1,953)	(3,977)	214,711
MK Citizen	13,124	-	-	-	-	13,124
Baker Tilly	3,483	2,413	-	-	(2,506)	3,390
Women's	20,682	1,056	-	-	(471)	21,267
thecentre.mk	757	5,000	-	-	-	5,757
NiftyLift	24,389	726	-	377	(5,639)	19,853
Family Funds	154,442	16,698	-	2,477	(15,207)	158,410
Home Retail Group Fund	216	-	-	-	(207)	9
Edward Hurley Memorial Fund	191,940	8,215	-	7,234	(889)	206,500
Grassroots Endowment Fund	657,368	14,266	-	(1,148)	(31,325)	639,161
NHS Fund	3,250	-	-	-	(1,191)	2,059
Shoosmiths Fund	3,725	4,313	-	-	(3,725)	4,313
Surviving Winter	20,999	7,425	2,972	-	(12,954)	18,442
Balney Trust	-	4,000	-	-	(4,000)	-
NHBC	5,422	-	-	-	(5,422)	-
Open University Fund	12,300	10,000	-	-	-	22,300
Local Giving	6,917	231,687	(3,458)	-	(235,462)	(316)
New Communities Fund	129,279	27,826	-	-	(2,438)	154,667
Jubilee Sports Fund	374	463	-	-	(374)	463
Community First EMC	1,938,244	6,567,212	174,039	(107,761)	(56,287)	8,515,447
BSH Fund	2,128	16,296	-	-	(2,129)	16,295
Hopkinson Music Fund	47,702	1,781	-	923	(1,056)	49,350
Coventry Building Society Fund	1,002	1,984	-	-	(1,912)	1,074
Philanthropy Circle Fund	-	4,445	600	-	(5,045)	-
Grant Thornton Fund	4,000	263	-	-	(1,742)	2,521
VW Fund	7,000	8,134	-	-	(7,000)	8,134
Music Service Fund	10,000	-	-	-	(3,155)	6,845
Network Rail Fund	-	20,000	-	-	(12,716)	7,284
Vital Signs Fund	-	-	75,961	-	-	75,961
Minus IT Fund	-	17	486	-	(33)	470
Total restricted funds	4,285,115	7,220,071	600	(109,319)	(598,774)	10,797,693
Total funds	10,141,527	9,068,282	-	96,056	(2,417,686)	16,888,179

Notes (continued)

21 Accumulated funds (continued)

21.5 Accumulated funds - Analysis of group net assets at 31 March 2014

	Fixed Assets	Investments	Net Current Assets	Long Term Liabilities	Total
	£	£	£	£	£
Unrestricted funds					
Community	122,596	2,661,509	(330,128)	-	2,453,977
Designated - Property	5,299,000	-	87,509	(1,750,000)	3,636,509
Total unrestricted funds	5,421,596	2,661,509	(242,619)	(1,750,000)	6,090,486
Restricted funds					
Arts	-	464,218	(3,532)	-	460,686
Sport Relief	-	-	8,424	-	8,424
Margaret Powell (Grants)	-	-	161,092	-	161,092
MK DASS	-	147,241	67,470	-	214,711
MK Citizen	-	-	13,124	-	13,124
Baker Tilly	-	-	3,390	-	3,390
Women's	-	-	21,267	-	21,267
thecentre:mk	-	-	5,757	-	5,757
NiftyLift	-	19,127	726	-	19,853
Family Funds	-	125,836	32,574	-	158,410
Home Retail Group Fund	-	-	9	-	9
Edward Hurley Memorial Fund	-	198,285	8,215	-	206,500
Grassroots Endowment Fund	-	625,560	13,601	-	639,161
NHS Fund	-	-	2,059	-	2,059
Shoosmiths Fund	-	-	4,313	-	4,313
Winter Fuel	-	-	18,442	-	18,442
Open University Fund	-	-	22,300	-	22,300
Local Giving	-	-	(316)	-	(316)
New Communities Fund	-	-	154,667	-	154,667
Jubilee Fund	-	-	463	-	463
Community First Endowment Fund	-	8,345,321	170,126	-	8,515,447
BSH Fund	-	-	16,295	-	16,295
Hopkinson Music Fund	-	46,882	2,468	-	49,350
Coventry Building Society Fund	-	-	1,074	-	1,074
Grant Thornton Fund	-	-	2,521	-	2,521
VW Fund	-	-	8,134	-	8,134
Music Service Fund	-	-	6,845	-	6,845
Network Rail Fund	-	-	7,284	-	7,284
Vital Signs Fund	-	-	75,961	-	75,961
Minus IT Fund	-	-	470	-	470
Total restricted funds	-	9,972,470	825,223	-	10,797,693
Total funds	5,421,596	12,633,979	582,604	(1,750,000)	16,888,179

Notes (continued)

21 Accumulated funds (continued)

21.6 Accumulated funds - Analysis of group net assets at 31 March 2014 (continued)

The community fund includes reserves of the subsidiary company

	Investment property revaluation reserve £	Profit and loss account £
At 1 April 2013	2,236,162	4,762
Retained result in year	-	7,900
Increase on revaluation of investment properties	134,982	-
	<hr/>	<hr/>
At 31 March 2014	2,371,144	12,662
	<hr/>	<hr/>

Notes (continued)

22 Grants made

Analysis of grants made	Unrestricted Funds	Restricted Funds	Local Giving	Total
	£	£	£	£
Voluntary groups and charities	169,302	320,147	222,990	712,439
Individuals	6,000	18,460	-	24,460
Total	175,302	338,607	222,990	736,899

A complete list of all grant recipients for the year can be found on our website
www.mkcommunityfoundation.co.uk/About-us/Our-Year-2013-2014

Reconciliation of grants payable	2014	2013
	£	£
Total grants to Voluntary Groups and Charities	712,439	726,960
Total grants to Individuals	24,460	16,000
Total grants paid	736,899	742,960
Commitments at 1 April	102,149	105,608
Commitments made in the year	743,448	746,493
Grants cancelled or recovered	(6,549)	(6,992)
Grants payable for the year	736,899	739,501
Grants paid during the year	(776,830)	(742,960)
Commitments at 31 March	62,218	102,149
Commitments at 31 March are payable as follows		
Within one year (see note 15)	62,218	102,149