



**Milton Keynes Community Foundation Limited**

(a company limited by guarantee)

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

31 March 2015

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

In 2014/15 MK Community Foundation continued to grow, support and assist in transforming the quality of life for local people. With the wonderful support of our donors we were able to award over £1.6 million of support to over 350 local projects through our grants programme, subsidised rents and discounted rates for meeting room hire.

Our grants programme continues to support important work in the community, funding hundreds of diverse local projects from the MK Food Bank and Winter Night Shelter to subsidising popular community events like Bean Hill and Bradville's annual fun days and the local Properstock music festival, just to name a few.

Our property company allows us to deliver essential support to the voluntary sector. In 2014/15 we awarded £503,879 in subsidised rents and now 14 of the 48 plots of Community Foundation have been developed by local organisations for the benefit of the wider community. With our 30<sup>th</sup> birthday approaching in 2016-17 we will continue to connect people with resources, skills and ideas to enrich lives and create positive growth for Milton Keynes.

Our inaugural New City Art Prize for the Visual Arts, created in partnership with MK Gallery, was presented to renowned artist Siobhan Hapaska in December 2014. The prize was created to draw a national focus on the arts in Milton Keynes and to provide opportunities for local artists to benefit from the associated development opportunities. The presentation of the prize was followed by a series of events in which the winner engaged with local artists.

We continue to be proud to award bursaries to upcoming sports men and women, in partnership with Sports Aid and Sport MK; to musicians, through the Christopher Hopkinson Memorial Fund; and an engineering bursary, through the Adams Family Fund. Our annual car raffle saw over 80 local groups and charities participate and raised over £30,000 for local causes.

Last October, the Community Foundation published Vital Signs MK: 2014, the latest annual report to round up local research on Milton Keynes. The report was produced following a series of Vital Thinking and Vital Action forums, which brought together local people, service organisations and key local decision makers. These forums featured a review of the findings of the previous Vital Signs report and participants came to a resulting consensus that amongst all the statistics, the high levels of child poverty should be our shared top priority. To that end, the Community Foundation launched a £70,000 Vital Grants Fund, which has contributed to a whole range of funded projects that seek to address the factors leading to poverty and the impact of poverty on the lives of local children. In line with this, we were delighted to be accredited as a Living Wage employer, supported by Citizens:MK.

Working in partnership with Big Local Trust, we are helping deliver a Big Local Grant of £1M to the Conniburrow community over the next ten years. The project has three priorities; Conniburrow Pride, building social cohesion and improving physical infrastructure.

Localgiving.com, a UK wide online giving portal 20% owned by UK Community Foundations, continues to go from strength to strength every year with the aim of providing local groups with a different way of raising valuable funds and achieving sustainability. This year it raised an amazing £298,062 for local charities and community groups. MK Basketball Association, a group of volunteers who coach basketball and also organise training for the wider community, started as a ladies only team but with funding and demand growing they now have two men's teams, one youth team and have just started one for children aged 5 to 10 year olds.

Margaret Powell House and Acorn House continue to thrive with over 21,000 delegates utilising our conference suites and meeting room facilities during 2014/15. We have increased the number of small business units to 37 allowing more voluntary organisations and start up businesses to take advantage of our 'easy in, easy out' terms.

I would like to thank our local groups, people doing amazing things in our community, my fellow Trustees, our President, Vice-Presidents and Ambassadors for the considerable time, effort and dedication they give in supporting the values and work of MK Community Foundation. I am grateful to our Community Representatives who continue to give their time and expertise to our grants and monitoring panels and to our staff for their commitment and motivation, taking our vision forward. And most importantly to 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>	<a href="http://www.mkcommunityfoundation.co.uk">www.mkcommunityfoundation.co.uk</a>

#### 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  
Seebeck House  
1 Seebeck Place  
Central Milton Keynes  
MK5 8FR

#### Property Manager

Hornbeam Limited  
Regus House  
Fairbourne Drive  
Atterbury Lakes  
Milton Keynes  
MK10 9RG

#### 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](http://www.mkcommunityfoundation.co.uk/About-us/Our-people/Our-trustees-and-advisers)

<b>Melanie Beck</b>	
<b>Richard Brown</b>	P
<b>Philip Butler</b>	(Re-appointed 9 September 2014) Deputy Chair, Chair of Property Board, P
<b>Steve Harris</b>	Chair of Finance Committee, F
<b>Judith Hooper</b>	F
<b>Peter Kara</b>	(Re-appointed 9 September 2014) F,P
<b>Roger Kitchen</b>	P
<b>Fola Komolafe</b>	(Re-appointed 9 September 2014) Chair
<b>Jane Matthews</b>	(Resigned 9 September 2014) G
<b>Michael Murray DL</b>	F,P,G
<b>John Moffoot MBE DL</b>	(Re-appointed 9 September 2014) G
<b>Stephen Norrish MBE</b>	(Re-appointed 9 September 2014)
<b>Lawrence Revill</b>	P
<b>Peter Selvey</b>	Treasurer, F
<b>Francesca Skelton DL</b>	F,G
<b>Ben Stoneham</b>	(appointed 18 November 2014) P

#### Senior Executive

<b>Julia Upton</b>	Chief Executive
<b>Laura Keen</b>	Deputy Chief Executive, Director of Finance
<b>Bart Gamber</b>	Director of Programmes

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

The trustees have pleasure in presenting their annual report and audited financial statements for the year ended 31 March 2015.

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 19 to 41 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. On 31 March 2015 the freehold and leasehold buildings and 38 of the Community Foundation Land sites owned by MK Community Properties Ltd were transferred to the Community Foundation as part of a group re-organisation. MK Community Properties continues to own 9 strategic Community Foundation Land sites and to operate the project areas in our city centre hubs, Acorn House and Margaret Powell House.

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

**Micro Grants** for sums up to £200 (£300 in the expansion areas) designed as a first application for new grassroots organisations with a decision being made within five working days.

**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.

**Partnership Grants** - 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 ran until 31 March 2015. We have been able to match donations totalling £2,998,486 creating an endowed fund of £9,801,606 which will continue to grow and provide income for grant making in perpetuity.

## 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 2015, 139 (2014: 139) local groups had taken advantage of this exciting new facility and have raised £729,709 between them.

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 10 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. The community in Milton Keynes is becoming increasingly diverse and with the past and impending Council budget cuts, where monies will only be awarded to Voluntary Sector Organisations for initiatives that are a statutory requirement, the challenge for the Community Foundation is how we ensure that ongoing support is available to vulnerable people in our Community. To address the challenges this expansion will pose, alongside the reduction in Council funding, the Community Foundation developed a new three year strategic framework in 2015.

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

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

- Commit to an annual fund development target
- Commit to a minimum annual grant-making budget to include a minimum unrestricted grant budget
- Diversify our philanthropy offer to the community to encompass both endowment and flow through products
- Use Vital Signs as a tool to develop propositions on priority issues that will provide donors with solutions for their philanthropic giving
- Articulate the issues of inequality highlighted in Vital Signs and influence stakeholders and community leaders about their role in addressing inequality and in our communities
- Identify, engage and fund organisations to work together, to lead change that will address inequality issues reported in Vital Signs
- Innovate and drive strategic development of our property portfolio so that we provide a responsive and diverse property offer to support the community
- Increase our impact across the unitary authority area and connect people and key networks

## Trustees' annual report (continued)

In May 2015 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 previous year 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.
- Successfully concluded the work on the Thames Valley Philanthropy Fellowship and raised our number of Philanthropy Fellows to eight.
- Worked with the High Sheriff, Jo Barclay, to support his fundraising cycle ride raising the profile of MK and Buckinghamshire Community Foundations
- Continued to raise funds for the Community First match challenge securing a further £139,908 in match funding for Milton Keynes. This included an additional match for the Art Fund within the Community First Programme which, with capital growth, brings the value of that fund to in excess of £667K.
- Set up five new funds.
- Celebrated 26 years of the car raffle with our partners VW and the centre:MK.

### Grants

- Recruited 30 new local groups to localgiving.com and ran two successful match challenges allowing £268,132 to be distributed to the groups in the year.
- Launched a UK wide New City Arts Prize of £10K in partnership with MK Gallery recruiting a panel of expert judges to include representatives from The Tate and the Guardian newspaper as well as a Turner shortlisted artist and art philanthropist.
- Awarded five Sports Bursaries in partnership with Sport MK and Sports Aid.
- Awarded the second Adams Engineering Prize Bursary, in partnership with MK College.
- Continued our partnership with the City Orchestra and awarded a £1,500 Music Bursary to Andrew Chen.
- Increased our Sports Bursaries to £2K each and presented an award to each of our four young winners at the Sports Aid Lunch.
- Successfully followed up our launch of Vital Signs in October 2013 with an update report in October 2014. This was introduced at the Voluntary Sector Reception and followed up by various Vital Thinking and Vital Action events.
- Became the Local Trusted Organisation for Big Local Conniburrow (BLC) enabling the Conniburrow Community to secure £1M of funding from Big Local Trust. We started our role of up skilling the BLC team by inviting a member of their committee to join our Grants Panel.

### 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 Shenley Christian Foundation for our site at Shenley Brook End.
- Worked with our Property Asset Manager to develop property plans particularly in relation to the community land available in the Eastern Expansion Area.
- Granted land reservations to Shenley Brook End and Tattenhoe Parish Council and The Murugan Temple Trust.
- Completed the roll out of signage around our properties in line with our new brand.
- Restructured our organisation in respect to property to better reflect our current way of working:

### **Acorn House/Margaret Powell House**

- Increased our available small business units to 37 across the two buildings. These can be hired on a flexible basis and hope to be able to create further units as space allows.
- Were visited by over 21,600 delegates during the year.
- Began work on a proposal for the redevelopment of the ground floor in Acorn House in partnership with the MK Christian Foundation with the aim of creating a 40 cover cafe with outside space leading to the Fred Roche Gardens.

### **Governance**

- Completed our overhaul of our Risk Review procedures and reporting to create an action based document.
- Began work on a review of our Governance structure post reorganisation.

## **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 group.
- Set a budget that will achieve the strategic objectives agreed by the Board.
- Review and manage risks to the group.
- 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 73%.

### **Grants Committee**

The Grants Committee meets five times a year and has four trustee members assisted by 12 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 70%

### **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
- Identify property projects, with the assistance of Finance Committee if needed.

Attendance of this committee is 70%.

## Trustees' annual report (continued)

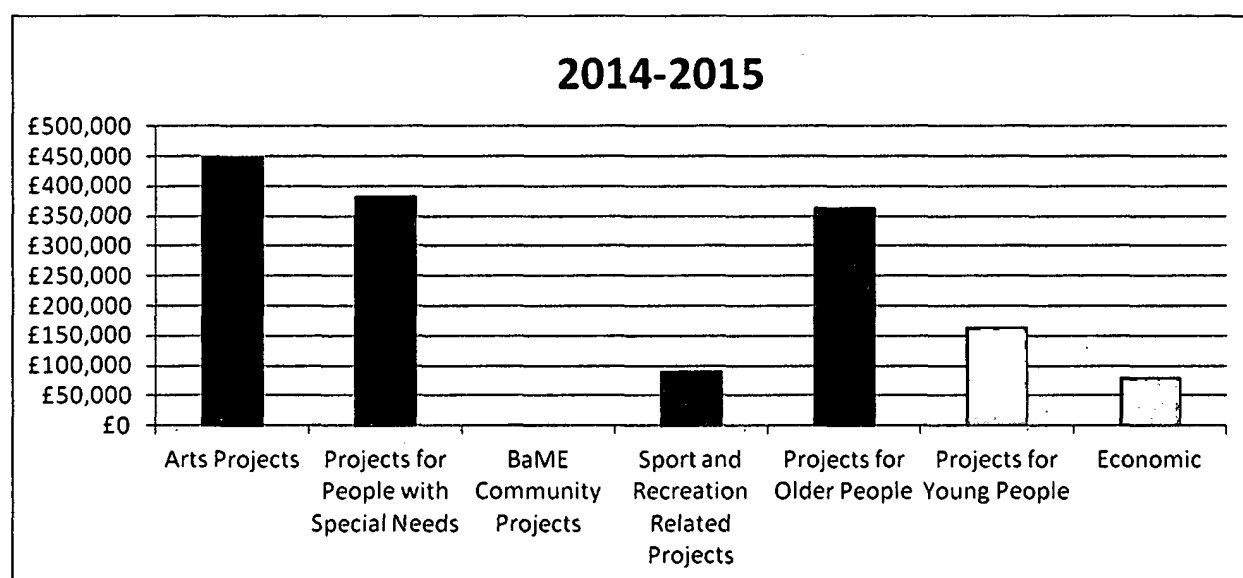
### Achievements and Performance

Total support provided by the Community Foundation to the Voluntary and Community sector during the financial year ended 31 March 2015 totalled £1,678,090 (2014: £1,290,015).

#### Grant Making

The amount of £882,164 (2014: £513,909) was awarded in grants by the Community Foundation during the year. The grants awarded in the year ended 31 March 2015 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 196 local organisations in order to support 324 projects that covered a wide range of initiatives in Milton Keynes during the year to 31 March 2015. In addition one grant was awarded to an individual as part of the Engineering Bursary programme, one grant was awarded to a local musician and five grants were awarded to individuals as part of our sports bursary programme. This year was our inaugural National Arts Prize which resulted in awards being made to the winner and three runners up.

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, £268,132 was distributed to local groups through the Local Giving Project and we awarded a National Arts Prize.

The graph is showing a high level of grants related to the Arts and Projects for people with special needs. This is as a result of the extraordinary grant of £311,000 awarded to MK Gallery to fund state of the art facilities specifically for older people and people with disabilities as part of their forthcoming expansion 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.

The property portfolio is now comprised of 226,478 square feet (2014:226,478 square feet) of accommodation to be let along with 48 (2014:48) Community Foundation Land (CFL) sites. As at 31 March 2015, void space within the portfolio totalled 4,700 square feet (2014: 20,359 square feet) and, therefore, 98% (2014:91%) 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 £406,837 (2014: £392,724) and under the terms of gift aid a payment of £300,000 (2014: £300,000) has been made on account to the Community Foundation in respect of the year. In addition, as a result of the organisational restructuring, a payment under gift aid was also made to the Community Foundation from the Property company in the sum of £2,500,000 representing historical property gains. 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 39 Voluntary and Community sector tenants was in excess of £503,000 (2014: £512,000) for the year to 31 March 2015.

On 31 March 2015 the freehold and leasehold buildings and 39 of the Community Foundation Land sites owned by MK Community Properties Ltd were transferred to the Community Foundation as part of a group re-organisation. MK Community Properties continues to own 9 strategic Community Foundation Land sites and to operate the project areas in our city centre hubs, Acorn House and Margaret Powell House. In July 2015 MK Community Properties took ownership of two further sites in Monkston to add to the 9 strategic sites already held.

### **Donations Received**

During the year to 31 March 2015 voluntary income received by the Community Foundation totalled £1,341,431 (2013: £7,295,022 – including a transfer of £6,194,443 from the Margaret Powell Foundation).

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 continue to enjoy strong demand. Bookings across the two facilities over the past year have increased with over 1500 bookings having been made. Our contract with the largest booking agent in the UK, Capita, is proving valuable with their bookings accounting for 50% of the business.

Requirements for small business units continues and it is hoped that further units can be created as space becomes available.

## Trustees' annual report (continued)

### Community Foundation Land Sites

It has always been the intention of the Property Company to retain its portfolio of investment 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. As part of a group re-organisation 39 of the Community Foundation Land sites were transferred to Community Foundation leaving 9 strategic sites in the Property Company.

In February 2015 a long term lease for the Shenley Brook End 2A site was granted to Shenley Christian Fellowship to enable them to build a Church and Community Centre.

Two further sites are reserved for community development; Westcroft to Shenley Brook End and Tattenhoe Parish Council who are preparing a planning application (reservation expires 31 December 2016) and Neath Hill which is reserved by the Murugan Temple Trust (reservation expires 31 December 2016).

### **Financial Review**

During the financial year ended 31 March 2015 the Community Foundation generated a net surplus before other recognised gains and losses of £424,253 (2014: £6,702,523).

As a result of the further growth of the Community First Endowment Fund and the improvement in the property portfolio valuation, the total value of the Community Foundation's funds has increased to £18,461,194 (2014: £16,888,179). 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 2015 totalled £3m (2014: £8.7m). This is a decrease from the previous year, due to the transfer of the Margaret Powell Foundation assets during the previous year.

### Resources Expended

Out of the 343 applications received by the Foundation, 243 grants were awarded (2014: 196 grants awarded) totalling £882,164 (2014: £513,909) providing support to 196 local charities and voluntary and community organisations and 13 individuals. Of these awards, £379,030 remained unpaid at the year-end (2014: £62,218). In addition, £268,132 (2014: £222,990) 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 2015 amounted to £3,127,016 (2014: £2,417,686). 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 82p of every £1 raised from property income (2014: 80p 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 £13,832,871 (2014: £12,633,979). The majority (82.5% of year end value) of these investments were held by CCLA in their Charities Ethical Common Investment Fund. Direct investment in Equities formed 0.002% of the investments and 17.5% 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.

The global economy continues to grow, benefiting from low interest rates and the fall in the price of oil. As a result companies have continued to report rising profits and increases in dividends. The value of the Community Foundation's investment portfolios have benefited from being invested for the long term and having over 70% in equities during this period.

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 a proportion 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 nine 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 and its 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 December 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). The Trustees are of the opinion that there has been no material movement in value of these properties between that date and 31 March 2015.

## **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 we have been able to build an endowment of £9,801,606 at 31 March 2015. At 31 March 2015 the amount of unrestricted funds was £6,326,779 (2013: £6,090,486).

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**

### **Fund Development**

The Fund Development Team is looking forward to 2015/16. We will concentrate on developing philanthropy with existing donors; identify and secure new unrestricted flow-through funds; raise awareness and gain access to new audiences via existing support networks.

With the successful conclusion of the Community First Endowment Match Challenge, we will take this opportunity to spend time on building our membership as the demand for unrestricted flow through funds is ever increasing.

Our Surviving Winter campaign will launch in November 2015 and run through to February 2016. This campaign is our way to approach the wider community in Milton Keynes and ask for their support. The campaign includes #GivingTuesday (a national campaign), and on 1<sup>st</sup> December 2015 we will run a Giving Tuesday Challenge Cup event.

There are a number of philanthropy events planned for the financial year including our members' reception and smaller bespoke donor hosted lunches and dinners.

We aim to improve our use of social media to strategically widen philanthropy across the city by channelling traffic to our website and office. This will increase awareness and knowledge of who we are and what we do.

We are planning our 30<sup>th</sup> Birthday philanthropy asks, events and activities for 2016/17 and looking to see how these will tie in with Milton Keynes' 50<sup>th</sup> Birthday in 2017. We are aware of key local, national and international dates and events, which we can support through social media, for example International Women's day March 2016.

## 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 150.

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. As part of the group re-organisation a full review of the Memorandum and Articles of Association has been undertaken and as a result of this process a number of amendments are tabled for approval at the AGM on 22 September 2015.

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 for up to four terms 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 which 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 68%.

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.

During 2014/15 we reviewed the process we use to identify, categorise and report on risks. The result of this was a new document, The Risk Mitigation Plan, which focused on actions required to reduce risks affecting the organisation. This plan identified 30 risks. The Key risks were:

- Property Development activities open the organisation up to higher Risk levels
- Increased level of voids in the property portfolio

### **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



**Steve Harris**  
Trustee

Date: 11 August 2015

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 charitable company and the group 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 charitable company'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 financial statements should be prepared on the going concern basis.

Steve Harris  
Trustee



Date: 11 August 2015

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 2015 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 16, the trustees (who are also the directors of Milton Keynes Community Foundation Limited for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **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 2015 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; or
- 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*

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

Date: *17 August 2015*

**Group Statement of Financial Activities (incorporating an Income and Expenditure Account)**  
for the year ended 31 March 2015

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
<b>Incoming resources</b>					
<b>Incoming resources from generated funds</b>					
Voluntary income	2	315,255	1,026,176	1,341,431	7,295,022
Margaret Powell Foundation transfer		-	-	-	6,194,443
Other Voluntary income		315,255	1,026,176	1,341,431	1,100,579
Activities for generating funds		30,218	-	30,218	37,578
Investment income	3	1,224,029	434,943	1,658,972	1,318,742
<b>Total incoming resources from generated funds</b>		<b>1,569,502</b>	<b>1,461,119</b>	<b>3,030,621</b>	<b>8,651,342</b>
<b>Incoming resources from charitable activities – Trading subsidiary</b>	4	<b>503,536</b>	<b>-</b>	<b>503,536</b>	<b>416,940</b>
<b>Total incoming resources</b>		<b>2,073,038</b>	<b>1,461,119</b>	<b>3,534,157</b>	<b>9,068,282</b>
<b>Resources expended</b>					
<b>Costs of generating funds</b>					
Costs of generating voluntary income	7	361,442	1,961	363,403	349,564
Fundraising trading costs	7	15,493	-	15,493	7,982
Investment management costs	7	837,354	19	837,373	733,613
Interest payable		69,223	-	69,223	70,157
<b>Total costs of generating funds</b>		<b>1,283,512</b>	<b>1,980</b>	<b>1,285,492</b>	<b>1,161,316</b>
<b>Charitable activities</b>					
Grants made		261,644	1,137,898	1,399,542	921,435
Property company trading subsidiary		373,900	-	373,900	298,030
<b>Total charitable expenditure</b>	8	<b>635,544</b>	<b>1,137,898</b>	<b>1,773,442</b>	<b>1,219,465</b>
<b>Governance costs</b>	7	<b>67,597</b>	<b>485</b>	<b>68,082</b>	<b>36,905</b>
<b>Total resources expended</b>		<b>1,986,653</b>	<b>1,140,363</b>	<b>3,127,016</b>	<b>2,417,686</b>
<b>Net incoming resources for the year</b>		<b>86,385</b>	<b>320,756</b>	<b>407,141</b>	<b>6,650,596</b>
Fund Transfers	21	(101,056)	101,056	-	-
<b>Adjusted incoming/(outgoing) resources for the year</b>		<b>(14,671)</b>	<b>421,812</b>	<b>407,141</b>	<b>6,650,596</b>
Realised gains on investments		11,008	6,104	17,112	51,927
<b>Net income/expenditure for the year</b>		<b>(3,663)</b>	<b>427,916</b>	<b>424,253</b>	<b>6,702,523</b>
<b>Other recognised gains and losses</b>					
Unrealised gains/(losses) on investments		27,615	908,806	936,421	(90,853)
Revaluation of freehold and leasehold properties	12	212,341	-	212,341	134,982
<b>Net movement in funds</b>		<b>236,293</b>	<b>1,336,722</b>	<b>1,573,015</b>	<b>6,746,652</b>
Fund balances brought forward at 1 April		6,090,486	10,797,693	16,888,179	10,141,527
<b>Fund balances carried forward at 31 March</b>		<b>6,326,779</b>	<b>12,134,415</b>	<b>18,461,194</b>	<b>16,888,179</b>

All activities of the group are classed as continuing. The accompanying notes form part of these financial statements.

## Group balance sheet

at 31 March 2015

	Note	2015 £	2014 £
<b>Fixed assets</b>			
Tangible assets	12	5,597,630	5,421,596
Investments	13	13,832,871	12,633,979
		<hr/>	<hr/>
		19,430,501	18,055,575
<b>Current assets</b>			
Debtors	14	465,845	515,761
Cash at bank and in hand		1,271,718	651,213
		<hr/>	<hr/>
		1,737,563	1,166,974
<b>Creditors: Amounts falling due within one year</b>	15	(956,870)	(584,370)
		<hr/>	<hr/>
Net current assets		780,693	582,604
<b>Creditors: Amounts falling due after one year</b>	16	(1,750,000)	(1,750,000)
		<hr/>	<hr/>
<b>Net assets</b>		18,461,194	16,888,179
		<hr/>	<hr/>
<b>Income funds</b>			
Unrestricted funds			
Community	21	2,477,929	2,453,977
Designated	21	3,848,850	3,636,509
		<hr/>	<hr/>
		6,326,779	6,090,486
Restricted funds	21	12,134,415	10,797,693
		<hr/>	<hr/>
		18,461,194	16,888,179
		<hr/>	<hr/>

These financial statements were approved by the Board of Trustees on 11 August 2015 and were signed on its behalf by:



**Steve Harris**  
Trustee

Melanie Beck

**Melanie Beck**  
Trustee

Company number 2032715

The accompanying notes form part of these financial statements.


**Milton Keynes Community Foundation Limited (charitable company) balance sheet**  
at 31 March 2015

	Notes	2015 £	2014 £
<b>Fixed assets</b>			
Tangible assets	12	5,497,573	-
Investments	13	13,832,871	12,633,979
Investments in subsidiary undertaking	13	400,000	400,000
		<hr/>	<hr/>
		19,730,444	13,033,979
<b>Current assets</b>			
Debtors	14	384,121	1,324,601
Cash at bank and in hand		697,476	184,211
		<hr/>	<hr/>
		1,081,597	1,508,812
<b>Creditors: Amounts falling due within one year</b>	15	(719,311)	(88,426)
		<hr/>	<hr/>
Net current assets		362,286	1,420,386
<b>Creditors: Amounts falling due after one year</b>	16	(1,750,000)	-
		<hr/>	<hr/>
<b>Net assets</b>		18,342,730	14,454,365
		<hr/>	<hr/>
<b>Income funds</b>			
Unrestricted		6,208,315	3,656,672
Restricted		12,134,415	10,797,693
		<hr/>	<hr/>
		18,342,730	14,454,365
		<hr/>	<hr/>

These financial statements were approved by the Board of Trustees on 11 August 2015 and were signed on its behalf by:



**Steve Harris**  
Trustee



**Melanie Beck**  
Trustee

Company number 2032715

The accompanying notes form part of these financial statements.

## 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 group'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 financial statements should be prepared on the going concern basis.

#### ***Basis of consolidation***

The consolidated financial statements 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 financial statements.

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 group. 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 financial statements 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 2015	Total 2014
	£	£	£	£
Donations received	73,060	886,268	959,328	4,807,392
Donations in kind	125,881	-	125,881	120,868
Funding from government agencies	-	139,908	139,908	2,268,434
Grants received for administration costs	116,314	-	116,314	98,328
	<hr/>	<hr/>	<hr/>	<hr/>
Total	315,255	1,026,176	1,341,431	7,295,022
	<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 2015	Total 2014
	£	£
Membership and other donations:		
- Discretionary rates relief	4,357	17,583
- Website development & support	-	7,500
- Computer Network Support	3,888	1,000
- Office cleaning	1,820	2,383
	<hr/>	<hr/>
	10,065	28,466
Community Car Raffle		
- Site	94,000	60,000
- 1 <sup>st</sup> Prize	13,605	12,825
- Site Marketing	2,343	2,070
Newspaper advertorial	2,308	4,859
Photography	2,000	9,000
Venues for philanthropy events	-	2,180
Office Equipment	-	190
Design work	1,560	1,278
	<hr/>	<hr/>
Total	125,881	120,868
	<hr/>	<hr/>

**Notes (continued)**

**3 Investment income**

Investment income comprises income from:

	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
Listed investments	100,700	434,943	535,643	323,593
Property company trading subsidiary turnover	1,123,329	-	1,123,329	995,149
	<u>1,224,029</u>	<u>434,943</u>	<u>1,658,972</u>	<u>1,318,742</u>

**4 Incoming resources from charitable activities**

Incoming resources from charitable activities comprises income from:

	Total 2015 £	Total 2014 £
Property company rental and service charge income	340,158	313,260
Sales of Community Foundation Land sites	163,378	103,680
	<u>503,536</u>	<u>416,940</u>

## Notes (continued)

### 5 Net income from trading activities of subsidiary

The charitable company'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 2015 £	Total 2014 £
Turnover	1,626,865	1,412,089
Cost of sales	(670,947)	(626,343)
	<hr/>	<hr/>
Gross profit	955,918	785,746
Administration expenses	(549,081)	(393,022)
	<hr/>	<hr/>
Trading profit	406,837	392,724
Net interest	(84,529)	(84,824)
	<hr/>	<hr/>
Net income	322,308	307,900
Amount Gift Aided to Milton Keynes Community Foundation	(2,800,000)	(300,000)
	<hr/>	<hr/>
Loss transferred to reserves	(2,477,692)	7,900
	<hr/>	<hr/>

#### Balance Sheet

Tangible assets	100,057	5,421,596
Net current assets/(liabilities)	418,398	(362,790)
Creditors falling due after more than one year	-	(2,275,000)
	<hr/>	<hr/>
Total net assets	518,455	2,783,806
	<hr/>	<hr/>
Called up share capital	400,000	400,000
Investment property revaluation reserve	-	2,371,144
Profit and loss account	118,455	12,662
	<hr/>	<hr/>
Total	518,455	2,783,806
	<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 £2,689,604 (2014: £6,612,112), 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 2015 £	Total 2014 £
Generating voluntary income	-	174,124	-	-	155,133	34,146	363,403	349,564
Fundraising trading	-	8,657	-	-	-	6,836	15,493	7,982
Investment management	834,128	1,815	1,075	-	-	355	837,373	733,613
Charitable activities	373,900	93,670	-	-	29,780	109,626	606,976	464,022
Governance	-	45,239	-	12,000	2,005	8,838	68,082	36,905
	<b>1,208,028</b>	<b>323,505</b>	<b>1,075</b>	<b>12,000</b>	<b>186,918</b>	<b>159,801</b>	<b>1,891,327</b>	<b>1,592,086</b>

Property company costs shown here represent the cost of managing and maintaining our extensive property portfolio.

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	54%	19%	1%	11%	15%
Director of Marketing & Business Development	60%	-	-	35%	5%
Director of Finance	42%	19%	4%	12%	23%
Director of Programmes	28%	20%	-	46%	6%
Executive Assistant	21%	12%	-	4%	63%
Finance Officer	55%	10%	1%	24%	10%
Grants Officers/Managers	-	-	-	100%	-
Fund Development Officers/Managers	100%	-	-	-	-
Administrative Assistants	60%	-	-	30%	10%

## 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	361,442	1,782	-	-	179	363,403
Fundraising trading	15,493	-	-	-	-	15,493
Investment management	837,354	17	-	-	2	837,373
Charitable activities	515,284	913	1,223	2,061	87,495	606,976
Governance costs	67,597	441	-	-	44	68,082
	<u>1,797,170</u>	<u>3,153</u>	<u>1,223</u>	<u>2,061</u>	<u>87,720</u>	<u>1,891,327</u>

### 8 Analysis of charitable expenditure

The Community Foundation undertakes its charitable activities through grant making. In the year ended 31 March 2015 it awarded grants totalling £1,150,295 (2014: £736,899) to a number of voluntary and community groups and individuals in furtherance of its charitable activities (see Note 22). It also paid £16,171 (2014: £18,544) 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 2015	Total 2014
	£	£	£	£
Grants awarded	1,166,466	233,076	1,399,542	921,435
Trading subsidiary costs	373,900	-	373,900	298,030
	<u>1,540,366</u>	<u>233,076</u>	<u>1,773,442</u>	<u>1,219,465</u>

**Notes (continued)**

**9 Analysis of governance costs**

	2015 £	2014 £
Trustee liability insurance costs	1,888	1,888
Staff related costs	45,239	20,937
Office costs	2,366	2,079
Audit fees	12,000	10,000
Legal and professional fees	1,763	97
Other costs	4,826	1,904
	<hr/> 68,082	<hr/> 36,905
	<hr/> <hr/>	<hr/> <hr/>

**10 Analysis of staff costs**

	2015 £	2014 £
<b>Salary related costs</b>		
Wages and salaries	431,242	393,765
Social security costs	37,786	35,717
	<hr/> 469,028	<hr/> 429,482
	<hr/> <hr/>	<hr/> <hr/>

One employee earned between £60,001 and £70,000 (2014: 1).

The average number of employees was 17.2 (2014: 15.3), excluding trustees. This can be analysed as follows:

	2015	2014
<b>Salary related costs</b>		
Marketing and development	5.0	5.0
Charitable activities	2.9	2.4
Operations	6.3	5.3
Finance and governance	3.0	2.6
	<hr/> 17.2	<hr/> 15.3
	<hr/> <hr/>	<hr/> <hr/>

No trustee received any remuneration during the year (2014: £Nil), no trustee was reimbursed for expenses during the year (2014: £Nil).

## Notes (continued)

### 11 Analysis of operating costs

	2015 £	2014 £
Auditors' remuneration includes:		
Audit of the financial statements of the charitable company's subsidiary pursuant to legislation	10,650	10,000
Other services relating to taxation	6,314	2,750
Pension advice	3,285	800
	<u>20,249</u>	<u>13,550</u>

The wholly owned trading subsidiary, MK Community Properties Limited, provides the charity with rent-free accommodation. During the financial year ended 31 March 2015 the value of this rent subsidy was £23,948 (2014: £20,927). The subsidiary's trading costs includes a depreciation charge for the year of £40,549 (2014: £30,500).

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 2015. 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 9 September 2014.

### 12 Tangible assets

The Group	Freehold properties £	Leasehold Properties held on long lease > 50 years £	Equipment £	Total £
Cost or valuation				
At 1 April 2014	4,690,000	609,000	420,876	5,719,876
Additions during the year	(30,341)	-	34,583	4,242
Revaluation	212,341	-	-	212,341
	<u>4,872,000</u>	<u>609,000</u>	<u>455,459</u>	<u>5,936,459</u>
Depreciation				
At 1 April 2014	-	-	298,280	298,280
Provided in the year	-	-	40,549	40,549
	<u>-</u>	<u>-</u>	<u>338,829</u>	<u>338,829</u>
<b>Net book amount</b>				
<b>At 31 March 2015</b>	<u>4,872,000</u>	<u>609,000</u>	<u>116,630</u>	<u>5,597,630</u>
At 31 March 2014	4,690,000	609,000	122,596	5,421,596

## Notes (continued)

### 12 Tangible assets (continued)

The Company	Freehold properties £	Leasehold Properties held on long lease > 50 years £	Equipment £	Total £
Cost or valuation				
At 1 April 2014	-	-	-	-
Additions during the year	4,872,000	609,000	16,573	5,497,573
<b>At 31 March 2015</b>	<b>4,872,000</b>	<b>609,000</b>	<b>16,573</b>	<b>5,497,573</b>
Depreciation				
At 1 April 2014	-	-	-	-
Provided in the year	-	-	-	-
Disposals	-	-	-	-
<b>At 31 March 2015</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net book amount</b>				
<b>At 31 March 2015</b>	<b>4,872,000</b>	<b>609,000</b>	<b>16,573</b>	<b>5,497,573</b>
At 31 March 2014	-	-	-	-

The investment properties were valued at 31 December 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 Trustees are of the opinion that there has been no material movement in value from that date to 31 March 2015.

The historical cost of the properties is £2,952,041 (2014: £2,952,041). 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. This is managed by UBS AG. At 31 March 2015 no single holding within this part of the portfolio represented more than 5% of the value of the fund (2014: none). In addition, the Community Foundation has direct equity holdings of 295,000 (2014: 295,000) 5p shares in DRS Data and Research Services PLC with an open market value at 31 March 2015 of £37,170 (2014: £75,225). During the year a further £694,351 of funds were placed with CCLA in their Charities Ethical Common Investment Fund. At 31 March 2015 these funds had an open market value of £11,413,041. Total funds invested with CCLA represented 82.5% of the total investment portfolio.

These investments are analysed as follows:

	2015 Total £	2014 Total £
Equities	1,658,058	1,934,086
Corporate Bonds	597,326	305,968
British Government Bonds	-	-
Common Investment Funds	11,413,041	10,222,470
Cash/Deposits	164,446	171,455
	<hr/>	<hr/>
	<b>13,832,871</b>	<b>12,633,979</b>
	<hr/>	<hr/>

All investments are quoted investments.

	2015 Total £	2014 Total £
Valuation at 1 April	12,633,979	5,280,258
Disposals	(2,135,282)	(4,691,028)
Additions	2,397,753	12,135,602
Increase/decrease in market value during the year	936,421	(90,853)
	<hr/>	<hr/>
<b>Valuation at 31 March</b>	<b>13,832,871</b>	<b>12,633,979</b>
	<hr/>	<hr/>

The historical cost of investments held at 31 March 2015 was £10,463,367 (2014: £10,160,354).

## Notes (continued)

### 13 Investments (continued)

#### The Company

#### Investment in subsidiary undertaking

	£
Cost at 1 April 2014 and 31 March 2015	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 2015 as a property ownership and management company.

### 14 Debtors

	Group		Milton Keynes Community Foundation	
	2015	2014	2015	2014
	£	£	£	£
Trade debtors	73,124	136,478	8,250	-
Accrued income	167,416	134,026	167,416	-
Other debtors and prepayments	225,305	245,257	208,455	185,056
Due from subsidiary company	-	-	-	1,139,545
	<u>465,845</u>	<u>515,761</u>	<u>384,121</u>	<u>1,324,601</u>

Included in group accrued income is £120,885 (2014: £134,026) relating to sales proceeds of Community Foundation Land which are due in more than one year. During the year the two loans totalling £525,000 (2014: £525,000) due from subsidiary were repaid. Loan 1 was for £325,000, was unsecured, bore interest at 3% above base rate and was repayable on 1 February 2017. Loan 2 was for £200,000, was unsecured and repayable on 3 November 2016. Interest was 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	
	2015	2014	2015	2014
	£	£	£	£
Trade creditors	28,654	142,931	6,047	-
Social Security and other taxes	17,325	29,125	-	9,755
Other creditors	137,632	118,740	13,100	-
Deferred income	249,102	170,057	249,102	11,000
Accruals	145,127	61,299	21,699	5,453
Grants payable (see note 22)	379,030	62,218	379,030	62,218
Due to subsidiary company	-	-	50,333	-
	<u>956,870</u>	<u>584,370</u>	<u>719,311</u>	<u>88,426</u>

## Notes (continued)

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

#### The Group

	Total 2015 £	Total 2014 £
Due within two to five years:		
Bank Loan	1,750,000	1,750,000
	<u>1,750,000</u>	<u>1,750,000</u>

#### The Company

	Total 2015 £	Total 2014 £
Due within two to five years:		
Bank Loan	1,750,000	-
	<u>1,750,000</u>	<u>-</u>

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 was fixed at 4.06% for the three years. The remaining £500K was a variable loan on 3 month LIBOR rates. The loan was secured by a fixed charge over Margaret Powell House, Acorn House and the units in Burners Lane, Stacey Bushes. The loan was repayable on 17 December 2015. On 31 March 2015 these loans were repaid incurring an early repayment penalty of £6,977. On 31 March 2015, as part of the group re-organisation, two new loans were taken out with Handelsbanken for £1.75M. £1.25M of the loan was fixed at 2.06% for three years followed by a variable rate of 2.35% over 3M Libor for a further two years. At 31 March 2018 there is a break clause enabling the Community Foundation to repay the loan without penalty. The remaining £500K is a variable loan on 3 month LIBOR rates. The current rate applicable until 30 June 2015 is 2.35% over 3M Libor.

### 17 Capital commitments

At 31 March 2015 there were no capital commitments (2014: £nil).

### 18 Contingent liabilities

Under the arrangements surrounding the transfer on 27 November 1992 of certain properties from English Partnerships, previously known as the Commission for the New Towns, the subsidiary company is under a contractual obligation to repay amounts to English Partnerships ("clawback") in respect of the net capital gains arising on certain disposals or change of use in relation to either Community Related Assets (certain industrial units at Kiln Farm and Stacey Bushes and Number 56 Buckingham Street Wolverton) or Community Foundation Land sites (33 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 £503,000 per annum for the year to 31 March 2015 (2014: £512,000). 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 2015.

### Related party transactions

	MKCCM £	MKCF £	ITC £
Rent	1,660	5,950	4,521
Service charge/insurance	4,303	2,916	1,809
Car parking etc	1,626	-	-
Meeting rooms etc	4	1,048	-
Total charges during the financial year	7,593	9,914	6,330
Balance due from tenant at 31 March 2015	150	1,808	1,757

During the financial year, MK Community Properties Limited purchased catering services from Milton Keynes Christian Foundation Ltd amounting to £33,013 (2014: £29,492). These purchases were made at arm's length. At 31 March 2015 the balance due to Milton Keynes Christian Foundation Ltd was £3,277 (2014: £3,875).

## 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 (2014: £1,888).

## 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 £2,477,929

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 £3,848,850

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 £12,134,415

Details of the various restricted funds can be found on our website  
[www.mkcommunityfoundation.co.uk/About-us/Our-Year-2014-2015](http://www.mkcommunityfoundation.co.uk/About-us/Our-Year-2014-2015)

Notes (continued)

21 Accumulated funds (continued)

21.4 Accumulated funds - Analysis of group income and expenditure

	Balance at 01/04/14	Incoming Resources	Transfers	Revaluation of Investment Assets	Resources Expended	Balance at 31/03/15
	£	£	£	£	£	£
Unrestricted funds						
Community	2,453,977	2,073,038	(101,056)	38,623	(1,986,653)	2,477,929
Designated - Property	3,636,509	-	-	212,341	-	3,848,850
Total unrestricted funds	6,090,486	2,073,038	(101,056)	250,964	(1,986,653)	6,326,779
Restricted funds						
Arts	460,686	24,011	(150,000)	34,523	(34,694)	334,526
Sport Relief	8,424	21,692	-	-	(27,716)	2,400
Margaret Powell (Grants)	161,092	-	-	-	(122,397)	38,695
MK DASS	214,711	8,545	-	17,558	(3,488)	237,326
MK Citizen	13,124	-	-	-	-	13,124
Baker Tilly	3,990	600	-	-	(2,415)	1,575
Women's	21,267	1,105	-	-	(1,056)	21,316
thecentre.mk	5,757	5,000	-	-	(5,757)	5,000
NiftyLift	19,853	10,789	-	1,716	(725)	31,633
Family Funds	158,410	11,200	-	11,599	(8,303)	172,906
Home Retail Group Fund	9	-	-	-	-	9
Edward Hurley Memorial Fund	206,500	8,182	-	17,786	(8,215)	224,253
Grassroots Endowment Fund	639,161	25,813	-	56,112	(13,475)	707,611
NHS Fund	2,059	-	-	-	(1,651)	408
Shoosmiths Fund	4,313	50	-	-	(2,770)	1,593
Surviving Winter	18,442	12,816	-	-	(18,442)	12,815
Open University Fund	22,300	-	-	-	(22,300)	-
Local Giving	(316)	298,062	(3,371)	-	(284,513)	9,862
New Communities Fund	154,667	48,171	-	-	(13,331)	189,507
Jubilee Sports Fund	463	150	-	-	(464)	149
Community First EMC	8,515,447	734,349	253,631	771,411	(473,232)	9,801,606
BSH Fund	16,295	-	-	-	(12,977)	3,318
Hopkinson Music Fund	49,350	1,935	-	4,205	(1,650)	53,840
Coventry Building Society Fund	1,074	1,102	-	-	(1,073)	1,103
Grant Thornton Fund	2,521	8,000	-	-	(6,521)	4,000
VW Fund	8,134	7,000	-	-	(7,887)	7,247
Music Centre Fund	6,845	-	-	-	40	6,885
Network Rail Fund	7,284	10,000	-	-	(7,284)	10,000
Vital Signs Fund	75,961	-	-	-	(38,876)	37,085
Mirus IT Fund	470	3,203	796	-	(478)	3,991
Bristol and West Fund	-	4,482	-	-	(4,482)	-
Business Leaders Fund	-	5,013	-	-	(1,650)	3,363
Big Local Conniburrow Fund	-	179,849	-	-	(12,580)	167,269
ARK Fund	-	30,000	-	-	-	30,000
Total restricted funds	10,797,693	1,461,119	101,056	914,910	(1,140,363)	12,134,415
Total funds	16,888,179	3,534,157	-	1,165,874	(3,127,016)	18,461,194

Notes (continued)

21 Accumulated funds (continued)

21.5 Accumulated funds - Analysis of group net assets at 31 March 2015

Unrestricted funds	Fixed Assets £	Investments £	Net Current Assets/(Liabilities) £	Long Term Liabilities £	Total £
Community	116,630	2,419,830	(58,531)	-	2,477,929
Designated - Property	5,481,000	-	117,850	(1,750,000)	3,848,850
<b>Total unrestricted funds</b>	<b>5,597,630</b>	<b>2,419,830</b>	<b>59,319</b>	<b>(1,750,000)</b>	<b>6,326,779</b>
<b>Restricted funds</b>					
Arts	-	356,139	(21,613)	-	334,526
Sport Relief	-	-	2,400	-	2,400
Margaret Powell (Grants)	-	-	38,695	-	38,695
MK DASS	-	225,666	11,660	-	237,326
MK Citizen	-	-	13,124	-	13,124
Baker Tilly	-	-	1,575	-	1,575
Women's	-	-	21,316	-	21,316
thecentre.mk	-	-	5,000	-	5,000
NiftyLift	-	20,843	10,790	-	31,633
Family Funds	-	153,845	19,061	-	172,906
Home Retail Group Fund	-	-	9	-	9
Edward Hurley Memorial Fund	-	216,071	8,182	-	224,253
Grassroots Endowment Fund	-	681,671	25,940	-	707,611
NHS Fund	-	-	408	-	408
Shoosmiths Fund	-	-	1,593	-	1,593
Winter Fuel	-	-	12,815	-	12,815
Open University Fund	-	-	-	-	-
Local Giving	-	-	9,862	-	9,862
New Communities Fund	-	-	189,507	-	189,507
Jubilee Fund	-	-	149	-	149
Community First Endowment Fund	-	9,707,718	93,888	-	9,801,606
BSH Fund	-	-	3,318	-	3,318
Hopkinson Music Fund	-	51,088	2,752	-	53,840
Coventry Building Society Fund	-	-	1,103	-	1,103
Grant Thornton Fund	-	-	4,000	-	4,000
VW Fund	-	-	7,247	-	7,247
Music Centre Fund	-	-	6,885	-	6,885
Network Rail Fund	-	-	10,000	-	10,000
Vital Signs Fund	-	-	37,085	-	37,085
Minus IT Fund	-	-	3,991	-	3,991
Bristol and West Fund	-	-	-	-	-
Business Leaders Fund	-	-	3,363	-	3,363
Big Local Conniburrow Fund	-	-	167,269	-	167,269
ARK Fund	-	-	30,000	-	30,000
<b>Total restricted funds</b>		<b>11,413,041</b>	<b>721,374</b>		<b>12,134,415</b>
<b>Total funds</b>	<b>5,597,630</b>	<b>13,832,871</b>	<b>780,693</b>	<b>(1,750,000)</b>	<b>18,461,194</b>

**Notes (continued)**

**21 Accumulated funds (continued)**

21.6 Accumulated funds - Analysis of group net assets at 31 March 2015  
(continued)

The community fund includes reserves of the subsidiary company

	Investment property revaluation reserve £	Profit and loss account £
At 1 April 2014	2,371,144	12,662
Retained result in year	-	2,655,793
Increase on revaluation of investment properties	212,341	-
Revaluation reserve realised on transfer of properties	(2,583,485)	-
	<hr/>	<hr/>
At 31 March 2015	-	2,668,455
	<hr/>	<hr/>

## Notes (continued)

### 22 Grants made

Analysis of grants made	Unrestricted Funds	Restricted Funds	Big Local Conniburrow	Local Giving	Total
	£	£	£	£	£
Voluntary groups and charities	77,029	766,094	11,980	268,132	1,123,235
Individuals	27,060	-	-	-	27,060
<b>Total</b>	<b>104,089</b>	<b>766,094</b>	<b>11,980</b>	<b>268,132</b>	<b>1,150,295</b>

A complete list of all grant recipients for the year can be found on our website  
[www.mkcommunityfoundation.co.uk/About-us/Our-Year-2014-2015](http://www.mkcommunityfoundation.co.uk/About-us/Our-Year-2014-2015)

Reconciliation of grants payable	2015 £	2014 £
Total grants to Voluntary Groups and Charities	1,123,235	712,439
Total grants to Individuals	27,060	24,460
<b>Total grants awarded</b>	<b>1,150,295</b>	<b>736,899</b>
Commitments at 1 April	62,218	102,149
Commitments made in the year	1,156,779	743,448
Grants cancelled or recovered	(6,484)	(6,549)
<b>Grants payable for the year</b>	<b>1,150,295</b>	<b>736,899</b>
<b>Grants paid during the year</b>	<b>(833,483)</b>	<b>(776,830)</b>
<b>Commitments at 31 March</b>	<b>379,030</b>	<b>62,218</b>
<b>Commitments at 31 March are payable as follows</b>		
Within one year (see note 15)	379,030	62,218