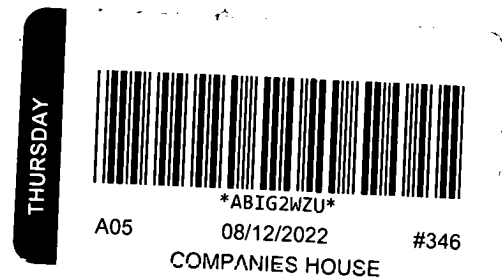


Registered number: 2032715
Charity number: 295107

MILTON KEYNES COMMUNITY FOUNDATION LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022



MILTON KEYNES COMMUNITY FOUNDATION LIMITED
(A company limited by guarantee)

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MILTON KEYNES COMMUNITY FOUNDATION LIMITED
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2022**

Trustees	Devdeep Ahuja Lawrence Revill Shaun Lee Sean O'Reilly Jason Sinclair Jill Heaton Christopher Shaw (resigned 19 May 2022) Kate Chadwick (resigned 9 December 2021) Shirley Jones Carole Baume (deceased 23 April 2022) Kurshida Mirza Precious Lwanga Paul Nolan Steve Harris (resigned 23 April 2021)
Company registered number	2032715
Charity registered number	295107
Registered office	Acorn House 381 Midsummer Boulevard Milton Keynes MK9 3HP
Senior Executive	Chief Executive - Ian Revell Director of Finance - Sarah Wilson Director of Operations - Vanessa Bradley Director of Philanthropy - June Oldroyd Director of Philanthropy - Ranjit Singh
Independent auditor	Hillier Hopkins LLP Chartered Accountants 249 Silbury Boulevard Milton Keynes Bucks MK9 1NA

MILTON KEYNES COMMUNITY FOUNDATION LIMITED
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Bankers	Bank of Scotland 33 Old Broad Street London EC2N 1HZ
	HSBC 19 Midsummer Place Milton Keynes MK9 3GB
	Handelsbanken AB 201 Silbury Boulevard Milton Keynes MK9 1LZ
	Close Brothers 10 Crown Place London EC2A 4FT
Solicitors	EMW Seebeck House 1 Seebeck Place Milton Keynes MK8 8FR
Investment Managers	CCLA Senator House 85 Queen Victoria Street London EC4V 4ET
Property Manager	Hornbeam Limited 13 Furzton Lake Shirwell Crescent Furzton Milton Keynes MK4 1GA

MILTON KEYNES COMMUNITY FOUNDATION LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2022

The Trustees have pleasure in presenting their annual report and audited consolidated financial statements for the year ended 31 March 2022, which are also prepared to meet the requirements for a directors' and strategic report and accounts for Companies Act purposes. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document, the Companies Act 2006, Charities Act 2011 and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

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

The accounts on pages 19 to 61 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 23.

Since the group and the Company qualify as small under section 383 of the Companies Act 2006, the Group strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Policies and objectives

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. Fund holders have the opportunity to direct a small percentage of their funds outside the Milton Keynes Unitary Authority area.

The Community Foundation has a five-year strategic framework which seeks to increase the grants and support available to the Voluntary, Community and Culture Sectors (VCCS) across the Borough.

Our Strategic Plan States:

Our Vision is for a thriving Milton Keynes where everyone is contributing to their community.

Our Mission is to connect people with resources, skills and ideas to enrich lives and create positive growth for Milton Keynes. The Foundation achieves our mission through three themes of:

- **Supporting**
To support the growth and development of our voluntary community and cultural sector;
- **Inspiring**
To inspire giving to our communities through philanthropy and other social action;
- **Leading**
To take a lead in connecting and growing sustainable communities.

Our Strategic Goal over the next five years is to build a resilient, creative, inclusive and philanthropic community.

MILTON KEYNES COMMUNITY FOUNDATION LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Objectives and activities (continued)

The three main areas of philanthropic work during the year were:

- Diversify and grow our philanthropy programme
- Enable more impactful grant giving
- Work collaboratively across the organization to maximize philanthropy opportunities, ensure compliance & measure our impact

The delivery plan associated with our philanthropy work focuses on building philanthropy across our Borough, increasing the funding the Foundation has available and making sure the Foundation is supporting all our communities.

The three main focuses of our estate and property work during the year were:

- Provide and manage sustainable, suitable, high quality community spaces for VCCS
- Actively developing our community land and property assets
- Generating surplus from our commercial and social enterprise activities to increase grant making and support

The delivery plan associated with our estates and property work focuses on how the Foundation can better support the VCCS, invest in new buildings so that future sector needs are supported and to ensure that the income driven from our conference social enterprise and commercial tenants generates surpluses that can be ploughed back into supporting our communities. A new business plan was implemented from November 2019 to respond to the challenges faced as a result of the Covid 19 pandemic.

Achievements and performance

a. Main achievements of the Company

2021/22 covers the fourth year of our Strategic Plan. It was a year dominated by the aftermath of the Covid 19 Pandemic and a time when the Foundation continued to respond to the effects of the emergency. General grant giving started to return to normal, but we continued to support the sector by way of recovery grants as a result of the pandemic.

As part of our normal philanthropy activities the Foundation was able to attract 2 new corporate funds, 2 new endowment funds and 8 flow-through funds. Therefore, we now have 52 Endowment Funds, which are invested with CCLA and 52 flow-through funds which are spent within a specified time frame.

This year, thanks to the generosity of our supporters, the Foundation was able to give more than £2.2m in support of the Voluntary, Community and Cultural Sector (VCCS), supporting 198 organisations, impacting an estimated 1,321,223 beneficiaries.

In October 2021 we published our shortened edition of the annual Vital Signs report. This year, we reported on four areas:

- Diversity,
- Health & Wellbeing,
- Poverty and Disadvantage
- Crime and safety.

Whilst the areas were selected before Covid 19 their relevance during the pandemic and lockdown became even more significant and has helped the Foundation focus its priorities for grant funding, development of strategic partnerships and how we apply our rent subsidies.

MILTON KEYNES COMMUNITY FOUNDATION LIMITED
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Achievements and performance (continued)

The Foundation's wholly owned trading subsidiary company, MK Community Properties Limited, is a provider of meeting and conference facilities. In addition, the company also leases small business units on licence to both commercial and not for profit organisations. Its aim is to support the voluntary community and cultural sector, either through subsidised meeting and conference room hire or indirectly through surplus income, which contributes towards the Community Foundation's grant making programme. MK Community Properties Limited also owns 22 community land sites and 11 strategic Community Foundation Land sites.

The Foundation continues to face a number of challenges in both the short and long term due to the impact of the pandemic and as a result of economic changes associated with the growth plans for Milton Keynes. Additionally, how the Foundation responds to the wider regional opportunities effecting Milton Keynes. The Foundation seeks to provide appropriate and adequate support for the changes in our communities' diversity to deliver equity and inclusion across our Borough. Coupled with the impact on Council budgets as a result of Covid, the challenge for the Foundation is how we can ensure that ongoing support is available to vulnerable people, to the diverse urban communities and our rural communities.

b. Review of activities

Grant Making

The amount of £1,359,741 (2020/21 - £2,245,120) was awarded in grants by the Community Foundation during the year. The level of grant making achieved during the year means that the Foundation has now awarded in excess of £16,000,000 in grants since 1986 along with Rent subsidies estimated to be circa £19,000,000 in the same time period.

During the year to 31 March 2022 this level of grant making provided 127 grants to 109 local organisations in order to support community projects that covered a wide range of initiatives in Milton Keynes,

Grants awarded last year:

59 Small Grants - £121,089
34 Community Grants - £288,857
5 Covid Recovery Grants - £53,558
2 Strategic Recovery Grants - £20,000
7 Transformation Grants - £181,169
2 Large Strategic Grants - £135,000
2 Partnership Grants - £43,600
5 Made by Sport Grants - £11,084
7 Emergency Response Grants - £32,000
1 MK Food Support Grant - £3,000
5 Queens Platinum Jubilee Grants - £27,551

Estate & property portfolio management

The report covers the second year of our new Property Strategy which has three themes as listed above.

During the year the Foundation has been negotiating with Homes England to enable a capital fund to be created from the proceeds of releasing 5 land sites for development of much needed affordable housing and one for a residential nursing care home. The Foundation has also completed a competitive bidding process from a number of social landlords and care home developers. Once completed this will provide a substantial capital development fund to enable the Foundation to bring forward five Community Hubs, mainly in the western expansion areas of the new city area of the Borough.

MILTON KEYNES COMMUNITY FOUNDATION LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Achievements and performance (continued)

At the end of the financial year, the land relating to the Brooklands development was transferred to us. Once planning has been agreed the Foundation will look to build a new gymnastic and table tennis centre in partnership with a social housing organisation who will deliver affordable housing and small community office facility in the Eastern expansion area alongside the scheme.

The property estate includes 11 properties comprising 227,000 square feet of accommodation to be let to voluntary, community and cultural sector groups or to commercial tenants along with 16 let and 34 undeveloped Community Foundation Land (CFL) sites.

c. Fundraising activities and income generation

The Community Foundation does not employ any person or companies to act on its behalf specifically to carry out any fundraising activities. The Community Foundation is registered with the Fundraising Regulator and the Gambling Commission and subscribes to the standards and regulations required under the registrations. The Community Foundation also subscribes to Be Gamble Aware. No fundraising complaints were received during the year.

During the year the Community Foundation reviewed our privacy notice:

The Privacy Notice in brief

- We collect information that is either personal data (such as names, addresses, and telephone numbers) or non-personal data (such as your Internet Protocol (IP) address, web pages accessed etc.)
- We collect information about our supporters, donors, fundraisers, volunteers and employees.
- We collect information to provide services or goods, to provide information, to fundraise, for administration, to assess and award grants, research, profiling, analysis, and for the prevention/detection of crime.
- We only collect the information that we need, or that would be useful to us in our aim to provide the best possible service.
- We do our very best to keep personal information secure, wherever we collect personal data online.
- We never sell your data, and we will never share it with another company or charity for marketing purposes.
- We only share data where we are required by law, or with carefully selected trusted suppliers who do work for us. All our suppliers are required by their contract to treat your data as carefully as we would, to only use it as instructed, and to allow us to check that they do this.

Our websites use cookies – for more information check <https://www.mkcommunityfoundation.co.uk/cookies-policy/>

The full Privacy Notice which details what information is held, how the Foundation may use it, and what individual's rights are available on our website <https://www.mkcommunityfoundation.co.uk/privacy-policy/>.

MILTON KEYNES COMMUNITY FOUNDATION LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

b. Reserves policy

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. Currently, such funds stand at £2,421,970 (2021 - £2,365,448). In March 2012 the Foundation was successful in securing funds from the Office for Civil Society for the Community First Endowment Match Challenge. Since then, growth in the market means that the Community First Endowment is £13,345,756 at 31 March 2022. At 31 March 2022 the amount of unrestricted funds was £42,613,209 (2021 - £41,618,603) and the value of restricted funds was £19,101,369 (2021 - £17,717,111).

Within the unrestricted funds, and separate from the Community Fund, the Trustees have designated a Property Fund equal in value to the properties held by the group, less mortgages incurred to purchase properties, 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 over a 10-year period at levels that will be sufficient to finance the repairs and refurbishment of the property portfolio required in order to ensure that the property portfolio remains in a 'fit for purpose' state.

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 Covid 19 pandemic continues to have a significant impact on the Foundation. Whilst emergency funding has all been spent, the sector continues with its recovery, and it is anticipated that in the second half of 2022/23 there will be significant demand for our services as the impact of the pandemic and the cost-of-living crisis begins to take effect. We are confident that we will be able to continue to support the sector and at this stage the Foundation does not feel that its predicted funding levels will decline significantly during 2022/23. However, the organisation continues to monitor and reduce costs wherever possible.

Our investment portfolio continues to perform well, and the trustees have been re-assured that the level of return from listed investments will not drop significantly in the next 12-18 months. In terms of our property portfolio, the Foundation continues to monitor the situation carefully, and provides support to tenants where needed, making them aware of local and national government funding schemes to ensure that they continue to pay their rent and service charges in a timely manner. A number of tenants have had difficulties during the pandemic with several failing to survive. Far great scrutiny has been carried out during the year by the Executive and Trustees to ensure the best use of the vacated units. Detailed planning and scenario testing is being completed and updated regularly, so that the Trustees are able to make informed decisions regarding the best course of action to ensure that the organisation continues to be financially sound.

In spite of the pandemic, 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.

MILTON KEYNES COMMUNITY FOUNDATION LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

c. Financial Review

During the financial year ended 31 March 2022 the Community Foundation generated a net group surplus before investment gains and losses of £758,351 (2021 deficit of £27,400).

The total value of the Community Foundation's endowment assets has increased to £61,714,578 (2021 - £59,335,714). This level of endowment funds continues to ensure sustainability and enables the Community Foundation to continue to support the growing local community in as many ways as possible

Our subsidiary company, MK Community Properties Limited, performed below expectations this year as the conferencing facilities struggled to recover as anticipated following the pandemic. All steps were taken to minimise this loss, and a new business plan was developed from November 2021, and a dedicated Business Development Manager was appointed from April 2022 to try and improve the use of this city centre facility. This plan sees the organisation return to a surplus in 2022/23, albeit a small surplus, with improved performance for 2023/24. The result for the year was an operating deficit of £150,442.

Income

The Community Foundation's income is primarily derived from four sources:

- Income from donations and legacies,
- income from other trading activities,
- investment income and
- the net income of MK Community Properties Limited.

Each of these sources of income is subject to different drivers.

The income received by the Community Foundation in the year ended 31 March 2022 totalled £5,798,052 (2021 - £4,358,402).

Expenditure

Out of the 399 applications received by the Community Foundation; 127 grants were awarded (2021 - 314 grants awarded) totaling £1,359,741 (2021 - £2,245,120). Of these awards, £403,530 remained unpaid at the year-end (2021 - £533,282). £404,238 (2021 - £426,357) was distributed to local groups through the Local Giving Project and £38,595 (2021 - £84,535) was given out in funds to Big Local Coniburrow from their Local Trust Grant, which the Foundation administers.

The Group's total operating costs continue to be closely monitored, and for the year ended 31 March 2022 amounted to £5,039,701 (2021 - £4,385,802). In common with other charitable organisations, changes in priorities year-on-year result in changes in cost allocations across the categories of expenditure.

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. Any capital gain on revaluation of properties and these are subject to clawback of an average of 48% cannot be spent on grants unless properties are sold, and many are occupied by the voluntary or charitable sector. Similarly, any gain on the revaluation of investments can only be realized if the investments are sold which impacts on the future investment income.

MILTON KEYNES COMMUNITY FOUNDATION LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

c. Financial Review (continued)

The freehold and leasehold properties were valued in the year by external valuers Kirkby Diamond, in accordance with the Royal Institution of Chartered Surveyors Valuation – Global Standards (The Red Book), on the basis of Market Value. Whilst the Trustees are of the opinion that there has been no material movement in value of these properties between that date and 31 March 2022, they believe that valuation of the properties should be at Existing Use valuation to more appropriately reflect the Community Foundation's policy of allowing Voluntary and Community Sector groups to apply for a rent subsidy of up to 75%. If this Existing Use valuation were to be used, our Land and Buildings would be valued at £41,454,750 (2021 - £40,516,666) an increase of £938,084.

d. Material investments policy

Investments

The group's investments were valued at the year-end at £19,703,715 (2021 - £18,660,804). All of these investments were held by CCLA in their Charities Ethical Common Investment Fund. CCLA investment objective over the long term is to achieve an average annual total return of inflation plus 5%.

The Community Foundation's investment policy was reviewed during the year but remains broadly 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 trustees have adopted an ethical investment approach, which looks to optimize the total return from the investment portfolio whilst mitigating risk, as far as possible.

Under the terms of the Community First Endowment Match Challenge all funds raised under this programme must be held at CCLA. Also, fifteen of the restricted donor funds and the Grassroots Endowment Challenge funds were all invested with CCLA.

e. Financial risk management objectives and policies

The Trustees review annually the major risks to which the charity is exposed in order to ensure systems and processes have been established to mitigate those risks. Internal and external factors have been considered, and risks are classified as Governance, Operational, Financial, Environmental and External, Legal and Regulatory or Reputational.

The Risk Mitigation Plan, which focused on actions required to reduce risks affecting the organisation. The 2022 review of this plan identified 33 risks (2021 - 35). The key risks were:

- Economic impact of the pandemic, especially related to the Estates and Conferencing
- Global recession affecting investment income and philanthropy
- Meeting and conference room operations not returning to pre-pandemic levels

These risks are reviewed regularly by the Leadership team and any issues are reported back to Board.

MILTON KEYNES COMMUNITY FOUNDATION LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Structure, governance and management

a. Constitution

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 engaged principally 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 Limited. The subsidiary company operates as a provider of meeting and conference facilities. Its aim is to support the charitable objectives of its parent undertaking, the Community Foundation.

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

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

Trustees are sometimes Employees or Trustees of other Voluntary and Community Sector organisations. All such relationships are at normal commercial rates and are disclosed in note 14 and 34 to these accounts.

b. Trustee recruitment, induction and training

The management of the Group and the Company is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

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.
- Strategic Away Days – which look at alternative ways of working.

MILTON KEYNES COMMUNITY FOUNDATION LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Structure, governance and management (continued)

c. Organisational structure and decision-making policies

The Community Foundation currently has 10 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 Senior Leadership Team has delegated authority for operational matters within terms of delegation approved by the Trustees.

The Board meets a minimum of four times a year and there are sub-committees covering Property, Resources, Remuneration, Audit and Philanthropy and Grants; all meetings are attended by senior members of the Executive Team. As well as these, time-limited task groups for specific projects are set up as and when required.

Indemnity insurance has been taken out in respect of the Trustees as detailed in note 33 to the financial statements.

d. Pay policy for key management personnel

The Board of Trustees considers that the key management personnel of the group is the Strategic Leadership Team who are in charge of directing, controlling, running and operating the group on a day-to-day basis. All Trustees give their time freely and no Trustee received remuneration in the year. Details of any Trustee's expenses and related party transactions are shown in note 14 and 34 to the accounts.

The pay of the Strategic Leadership team is reviewed annually by the Remuneration Committee and normally increased in line with average earnings. In view of the nature of the charity, the Trustees benchmark against pay levels in other local voluntary sector organisations of a similar size and the UK Community Foundation network.

e. Related party relationships

The Community Foundation and its wholly owned trading subsidiary MK Community Properties Limited provide services and support to other charities and organisations, including those that have Trustees in common with the Community Foundation. A full list of transactions with related parties in the year, along with the nature of the relationships, is shown in note 34 of these accounts.

Plans for future periods

Philanthropy

Central to our Strategic Plan is the focus on inspiring philanthropy in Milton Keynes. To that end we have a specific Philanthropy strategy and annual delivery Plan.

Key focuses in philanthropy delivery plan include:

- Diversify and grow our philanthropy programme
- Enable more impactful grant giving
- Build an effective marketing and communications offer

MILTON KEYNES COMMUNITY FOUNDATION LIMITED
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Plans for future periods (continued)

As the Foundation plans for the year ahead, it knows the needs of the sector and its communities will continue to change. In particular the pandemic impact to the sector is not yet fully known, however the Foundation continues to conduct on-going surveys of the sector and supports the development of the Inter-cultural forum and the MK Ethnic Business Community Network so that the Foundation can continue to adapt and change its programmes in response. As the Foundation starts its 36th year as a charity, it will be launching a £1m Match Funding Programme which will hopefully encourage new and existing philanthropists in the City to begin and continue their journey with the Foundation.

Our Board of Trustees are fully aware of their responsibilities for fundraising activities and receive an annual Charity Commission C20 report. The Philanthropy & Grants Committee has delegated responsibility for continuous monitoring of any fundraising activities.

Governance and Management

The Foundation continues to implement the changes identified in its last governance review this year. It has recruited new and more diverse trustees and appointed an equally diverse group of Vice- Presidents to its honorary structure. During the year the Board elected a new President, Fola Komolafe MBE DL.

The new committee structure has proven very effective. The changes we made during the pandemic in relation to departmental reporting and KPI packs for each committee and the Board, continue to be well received and enables greater scrutiny and improved performance monitoring.

The Trustees, having continued the implementation of their plan, consider the governance structures of the Community Foundation to be appropriate to enable the 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 Foundation regularly undertakes tendering processes for this type of service.

Milton Keynes Community Foundation is a member of the UK Community Foundations (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.

Disclosure of information to auditor

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditor is aware of that information.

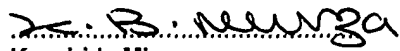
Auditor

The auditor, Hillier Hopkins LLP, has indicated his willingness to continue in office. The designated Trustees will propose a motion reappointing the auditor at a meeting of the Trustees.

MILTON KEYNES COMMUNITY FOUNDATION LIMITED
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Approved by order of the members of the board of Trustees and signed on their behalf by:


Kurshida Mirza
Trustee

Date: 17 November 2022

MILTON KEYNES COMMUNITY FOUNDATION LIMITED
(A company limited by guarantee)

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2022**

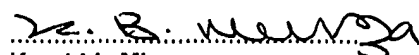
The Trustees (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial . 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 Group and the Company and of their incoming resources and application of resources, including their income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees and signed on its behalf by:



Kurshida Mirza
Trustee

Date: 17 November 2022

MILTON KEYNES COMMUNITY FOUNDATION LIMITED
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MILTON KEYNES COMMUNITY
FOUNDATION LIMITED**

Opinion

We have audited the financial statements of Milton Keynes Community Foundation Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Company balance sheet, the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 March 2022 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

MILTON KEYNES COMMUNITY FOUNDATION LIMITED
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MILTON KEYNES COMMUNITY
FOUNDATION LIMITED (CONTINUED)**

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditor's report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a Strategic report.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

MILTON KEYNES COMMUNITY FOUNDATION LIMITED
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MILTON KEYNES COMMUNITY
FOUNDATION LIMITED (CONTINUED)**

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- we consider the nature of the industry and sector, control environment and business performance including the remuneration incentives and pressures of key management;
- the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management. We consider the results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

We also obtained an understanding of the legal and regulatory frameworks that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. We focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006, Charities Act 2011 and relevant tax legislation.

MILTON KEYNES COMMUNITY FOUNDATION LIMITED
(A company limited by guarantee)

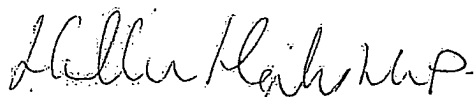
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MILTON KEYNES COMMUNITY
FOUNDATION LIMITED (CONTINUED)**

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Grant Franklin ACA (Senior statutory auditor)

for and on behalf of
Hillier Hopkins LLP
Chartered Accountants
Statutory Auditor
249 Silbury Boulevard
Milton Keynes
Bucks
MK9 1NA

Date: 7 December 2022

MILTON KEYNES COMMUNITY FOUNDATION LIMITED
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:					
Donations and legacies	4	2,400,940	862,766	3,263,706	2,096,376
Charitable activities	5	571,416	-	571,416	499,398
Other trading activities	6	458,876	-	458,876	321,531
Investments	7	912,552	591,502	1,504,054	1,441,097
Total income		4,343,784	1,454,268	5,798,052	4,358,402
Expenditure on:					
Raising funds	8,9	1,858,741	-	1,858,741	1,646,374
Charitable activities	10	1,781,830	1,399,130	3,180,960	2,739,428
Total expenditure		3,640,571	1,399,130	5,039,701	4,385,802
Net income/(expenditure) before net gains/(losses) on investments		703,213	55,138	758,351	(27,400)
Net gains/(losses) on investments		316,268	1,304,245	1,620,513	(8,716,384)
Net income/(expenditure)		1,019,481	1,359,383	2,378,864	(8,743,784)
Transfers between funds	23	(24,875)	24,875	-	-
Net movement in funds		994,606	1,384,258	2,378,864	(8,743,784)
Reconciliation of funds:					
Total funds brought forward		41,618,603	17,717,111	59,335,714	68,079,498
Net movement in funds		994,606	1,384,258	2,378,864	(8,743,784)
Total funds carried forward		42,613,209	19,101,369	61,714,578	59,335,714

The Consolidated statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 25 to 61 form part of these financial statements.

MILTON KEYNES COMMUNITY FOUNDATION LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: 2032715

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	15	15,937	-
Tangible assets	16	146,365	197,933
Investments	18	19,703,715	18,650,804
Social investments	19	10,000	10,000
Investment property	17	41,454,750	40,516,666
		<u>61,330,767</u>	<u>59,375,403</u>
Current assets			
Debtors	20	797,917	892,802
Cash at bank and in hand		1,582,724	1,385,575
		<u>2,380,641</u>	<u>2,278,377</u>
Creditors: amounts falling due within one year	21	(996,830)	(1,318,066)
Net current assets		<u>1,383,811</u>	<u>960,311</u>
Total assets less current liabilities		<u>62,714,578</u>	<u>60,335,714</u>
Creditors: amounts falling due after more than one year	22	(1,000,000)	(1,000,000)
Total net assets		<u>61,714,578</u>	<u>59,335,714</u>
Charity funds			
Restricted funds	23	19,101,369	17,717,111
Unrestricted funds			
Designated funds	23	40,191,239	39,253,155
General funds	23	2,421,970	2,365,448
Total unrestricted funds	23	<u>42,613,209</u>	<u>41,618,603</u>
Total funds		<u>61,714,578</u>	<u>59,335,714</u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

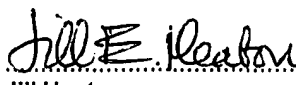
MILTON KEYNES COMMUNITY FOUNDATION LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: 2032715

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2022

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:


Kurshida Mirza
Chair of Trustees


Jill Heaton
Trustee

Date: 17 November 2022

The notes on pages 25 to 61 form part of these financial statements.

MILTON KEYNES COMMUNITY FOUNDATION LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: 2032715

COMPANY BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	15	15,937	-
Tangible assets	16	2,793	5,671
Investments	18	20,103,716	19,050,805
Social investments	19	10,000	10,000
Investment property	17	29,928,000	28,989,916
		50,060,446	48,056,392
Current assets			
Debtors	20	1,057,732	1,049,530
Cash at bank and in hand		1,310,343	1,104,016
		2,368,075	2,153,546
Creditors: amounts falling due within one year	21	(913,465)	(1,224,188)
Net current assets		1,454,610	929,358
Total assets less current liabilities		51,515,056	48,985,750
Creditors: amounts falling due after more than one year	22	(1,000,000)	(1,000,000)
Net assets excluding pension asset		50,515,056	47,985,750
Total net assets		50,515,056	47,985,750
Charity funds			
Restricted funds	23	19,101,369	17,717,111
Unrestricted funds			
Designated funds	23	28,844,989	27,906,905
General funds	23	2,568,698	2,361,734
Total unrestricted funds	23	31,413,687	30,268,639
Total funds		50,515,056	47,985,750

The Company's net movement in funds for the year was £2,529,306 (2021 - £(4,109,889)).

MILTON KEYNES COMMUNITY FOUNDATION LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: 2032715

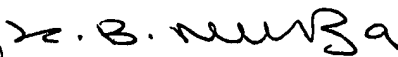
COMPANY BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2022

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

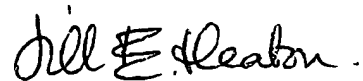
The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorized for issue by the Trustees on 17 November 2022 and signed on their behalf by:

Kurshida Mirza
(Chair of Trustees)



Jill Heaton
(Trustee)



The notes on pages 25 to 61 form part of these financial statements.

MILTON KEYNES COMMUNITY FOUNDATION LIMITED
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	2022 £	2021 £
Cash flows from operating activities		
Net cash used in operating activities	(856,720)	3,429
Cash flows from investing activities		
Dividends, interests and rents from investments	595,759	625,842
Purchase of intangible assets	(17,000)	-
Purchase of tangible fixed assets	(29,408)	(68,459)
Proceeds from sale of investments	595,893	-
Purchase of investments	(91,375)	(330,677)
Net cash provided by investing activities	1,053,869	226,706
Cash flows from financing activities		
Net cash provided by financing activities	-	-
Change in cash and cash equivalents in the year	197,149	230,135
Cash and cash equivalents at the beginning of the year	1,385,575	1,155,440
Cash and cash equivalents at the end of the year	1,582,724	1,385,575

The notes on pages 25 to 61 form part of these financial statements

MILTON KEYNES COMMUNITY FOUNDATION LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

1. General information

Milton Keynes Community Foundation Limited ("the Community Foundation") is a private company incorporated and registered in England and Wales and limited by guarantee. The registered address is Acorn House, 381 Midsummer Boulevard, Central Milton Keynes, MK9 3HP.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

Milton Keynes Community Foundation Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Company and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

2.2 Going concern

The Covid 19 pandemic has had a significant impact on the charity. At this stage we do not feel that our predicted funding levels will decline significantly during 2022/23 but the organisation is taking steps to ensure that costs are kept to a minimum. Our investment portfolio continues to perform well, and the trustees have been assured that the level of return from listed investments will not drop significantly in the next 12-18 months. In terms of our property portfolio, we are monitoring the situation carefully, and providing support where needed to tenants to ensure that they continue to pay their rent and service charges. A number of tenants will naturally not survive the pandemic, and the Trustees are continually monitoring the best use of these units. Detailed planning and scenario testing are being completed and updated regularly, so that the Trustees are able to make informed decisions regarding the best course of action to ensure that the organisation continues to be financially sound.

In spite of the current pandemic, 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.

MILTON KEYNES COMMUNITY FOUNDATION LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. Accounting policies (continued)

2.3 Income

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Consolidated statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

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, in accordance with the SORP criteria.

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

Donated land is recognised at market value at date of receipt.

Property income

Property income represents rents and service charges (net of VAT) receivable on a straight-line basis over the life of the lease. The assets for which rent is received are included in investment properties in fixed assets. Appropriately-apportioned gains or losses on property disposals are also included in property company income or expenditure.

Property income has been analysed between both investment income and income 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 income from charitable activities relates to income from properties let at a subsidised rent to Voluntary and Community Sector tenants.

Subsidiary company income

Property company income represents income from hire of meeting and conferencing facilities and rent from Small Business Units (net of VAT) receivable on a straight-line basis. Any surplus income generated by the subsidiary company is distributed to the MK Community Foundation as a gift aid payment within nine months of the end of the financial year.

MILTON KEYNES COMMUNITY FOUNDATION LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading. These income costs incurred attracting voluntary income and investment management expenses, including management of investment properties.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs. This includes the value of grants awarded. This also includes governance costs including 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.

Grants payable are charged in the year when the offer is 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.

All expenditure is inclusive of irrecoverable VAT.

2.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Consolidated statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the Consolidated statement of financial activities as the related expenditure is incurred.

2.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

MILTON KEYNES COMMUNITY FOUNDATION LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. Accounting policies (continued)

2.7 Taxation

The Company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, no provision for corporation tax has been made in these financial statements because the Community Foundation, a registered charity, is exempt from taxation.

All expenditure is 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.

2.8 Intangible assets and amortisation

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

Amortisation is provided on the following basis:

Website	- 33 %
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2.9 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Office equipment	- 25 - 50%
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated statement of financial activities.

MILTON KEYNES COMMUNITY FOUNDATION LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. Accounting policies (continued)

2.10 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.11 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.

The surpluses or deficits on the revaluation of such properties are transferred to the Designated Property Fund. Depreciation is not provided in respect of investment properties.

2.12 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.13 Cash at bank and in hand

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

2.14 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated statement of financial activities as a finance cost.

2.15 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

MILTON KEYNES COMMUNITY FOUNDATION LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. Accounting policies (continued)

2.16 Operating leases

Rentals paid under operating leases are charged to the Consolidated statement of financial activities on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.17 Pensions

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

2.18 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

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FOR THE YEAR ENDED 31 MARCH 2022**

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Group estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgment:

Property valuation

There are estimates and assumptions made when the investment property portfolio is valued at their market value. These estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key judgement relates to the classification of the property portfolio. The Trustees have considered whether the group's portfolio of properties should be accounted for as tangible fixed assets or as investment properties. Many of the properties are available on occasion to be rented to the charity's beneficiaries at subsidised rents. However, the Trustees consider that the properties are primarily held for long term investment with the objective of generating financial income and/or proceeds from their sale to maximise a surplus which can be used to make grants or to support the voluntary and community sector through subsidised rent. Accordingly, the Trustees consider that the properties are investment properties and that any changes in their value should be recognised as gains or losses on investment properties. However, any rental income which is generated by properties let at subsidised rates is recognised as income from charitable activities rather than investment income to reflect the objectives of the charity.

4. Income from donations and legacies

	Unrestricted funds 2022	Restricted funds 2022	Total funds 2022
	£	£	£
Donations	2,400,940	862,766	3,263,706

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4. Income from donations and legacies (continued)

	<i>Unrestricted funds 2021</i>	<i>Restricted funds 2021</i>	<i>Total funds 2021</i>
	£	£	£
Donations	254,731	1,838,616	2,093,347
Grants received for administration costs	3,029	-	3,029
	<u>257,760</u>	<u>1,838,616</u>	<u>2,096,376</u>

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:

	Unrestricted Total 2022 £	Unrestricted Total 2021 £
Community Prize Draw	40,560	-
Land site	875,000	-
IT subscription	180	-
Away day costs	480	-
	<u>916,220</u>	<u>-</u>

5. Income from charitable activities

	Unrestricted funds 2022 £	Total funds 2022 £
Property rental and service charge income	<u>571,416</u>	<u>571,416</u>

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5. Income from charitable activities (continued)

	<i>Unrestricted funds 2021</i>	<i>Total funds 2021</i>
	£	£
Property rental and service charge income	499,398	499,398

6. Income from other trading activities

Income from non charitable trading activities

	<i>Unrestricted funds 2022</i>	<i>Total funds 2022</i>
	£	£
Trading income - MK Community Properties Ltd	458,876	458,876

	<i>Unrestricted funds 2021</i>	<i>Total funds 2021</i>
	£	£
Trading income - MK Community Properties Ltd	321,531	321,531

7. Investment income

	Unrestricted funds 2022	Restricted funds 2022	Total funds 2022
	£	£	£
Property investments	912,550	-	912,550
Listed investments	-	591,502	591,502
Interest receivable	2	-	2
	<u>912,552</u>	<u>591,502</u>	<u>1,504,054</u>

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7. Investment income (continued)

	<i>Unrestricted funds 2021</i>	<i>Restricted funds 2021</i>	<i>Total funds 2021</i>
	£	£	£
Property investments	873,759	-	873,759
Listed investments	-	567,310	567,310
Interest receivable	28	-	28
	<u>873,787</u>	<u>567,310</u>	<u>1,441,097</u>

8. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds 2022	Total funds 2022
	£	£
Other costs	58,965	58,965
Apportioned costs	58,709	58,709
Wages and salaries	194,646	194,646
	<u>312,320</u>	<u>312,320</u>

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8. Expenditure on raising funds (continued)

Costs of raising voluntary income (continued)

	<i>Unrestricted funds 2021</i>	<i>Total funds 2021</i>
	£	£
Other costs	32,676	32,676
Apportioned costs	59,705	59,705
Wages and salaries	194,593	194,593
	<u>286,974</u>	<u>286,974</u>

Fundraising trading expenses

	Unrestricted funds 2022	Total funds 2022
	£	£
Apportioned costs	1,826	1,826
Wages and salaries	6,052	6,052
	<u>7,878</u>	<u>7,878</u>

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8. Expenditure on raising funds (continued)

Fundraising trading expenses (continued)

	<i>Unrestricted funds 2021</i>	<i>Total funds 2021</i>
	£	£
Apportioned costs	1,843	1,843
Wages and salaries	6,007	6,007
	<u>7,850</u>	<u>7,850</u>

Other trading expenses

	<i>Unrestricted funds 2022</i>	<i>Total funds 2022</i>
	£	£
MK Community Properties Ltd trading expenses	435,728	435,728
MK Community Properties Ltd staff costs	95,494	95,494
MK Community Properties Ltd depreciation	78,098	78,098
	<u>609,320</u>	<u>609,320</u>

Other trading expenses (continued)

	<i>Unrestricted funds 2021</i>	<i>Total funds 2021</i>
	£	£
MK Community Properties Ltd trading expenses	357,146	357,146
MK Community Properties Ltd staff costs	138,171	138,171
MK Community Properties Ltd depreciation	74,347	74,347
	<u>569,664</u>	<u>569,664</u>

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9. Investment management costs

	Unrestricted funds 2022	Total funds 2022
	£	£
Property costs	890,324	890,324
Loan interest payable	36,549	36,549
Apportioned costs	545	545
Wages and salaries	1,806	1,806
	<u>929,224</u>	<u>929,224</u>
	Unrestricted funds 2021	Total funds 2021
	£	£
Property costs	742,849	742,849
Loan interest payable	36,700	36,700
Apportioned costs	549	549
Wages and salaries	1,788	1,788
	<u>781,886</u>	<u>781,886</u>

10. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2022	Restricted funds 2022	Total 2022
	£	£	£
Grants awarded	<u>1,781,830</u>	<u>1,399,130</u>	<u>3,180,960</u>

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10. Analysis of expenditure on charitable activities (continued)

Summary by fund type (continued)

	<i>Unrestricted funds 2021</i>	<i>Restricted funds 2021</i>	<i>Total 2021</i>
	£	£	£
Grants awarded	558,734	2,180,694	2,739,428

11. Analysis of expenditure by activities

	<i>Activities undertaken directly 2022</i>	<i>Grant funding of activities 2022</i>	<i>Support costs 2022</i>	<i>Total funds 2022</i>
	£	£	£	£
Grants awarded	312,100	2,619,398	249,462	3,180,960

	<i>Activities undertaken directly 2021</i>	<i>Grant funding of activities 2021</i>	<i>Support costs 2021</i>	<i>Total funds 2021</i>
	£	£	£	£
Grants awarded	363,363	2,105,166	270,900	2,739,429

Analysis of direct costs

	<i>Grants awarded 2022</i>	<i>Total funds 2022</i>
	£	£
Staff costs	124,224	124,224
Other costs	122,470	122,470
Apportioned costs	65,406	65,406
	312,100	312,100

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11. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

	<i>Grants awarded 2021</i>	<i>Total funds 2021</i>
	£	£
Staff costs	124,384	124,384
Other costs	176,083	176,083
Apportioned costs	62,896	62,896
	<u>363,363</u>	<u>363,363</u>

Property 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 staff 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 factors identified and agreed by the Board. Staff costs have been apportioned as follows:

Role	Cost of raising funds	Property costs	Fundraising trading	Investment management costs	Charitable activities support costs	Governance costs
Chief Executive	10%	33%	-	1%	26%	30%
Director of Finance	21%	30%	1%	1%	4%	43%
Philanthropy Directors	79%	5%	-	-	11%	5%
Executive Assistant	10%	15%	-	-	9%	66%
Financial Controller	21%	-	4%	1%	35%	39%
Philanthropy Managers	49%	49%	-	1%	50%	-
Marketing Staff	58%	5%	6%	-	29%	2%
Conferencing Staff	-	100%	1	1	1	1
Administrative Assistants	12%	-	-	-	10%	78%

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11. Analysis of expenditure by activities (continued)

Analysis of support costs

	Grants awarded 2022	Total funds 2022
	£	£
Staff costs	64,949	64,949
Depreciation	3,941	3,941
Governance costs	180,573	180,573
	<u>249,463</u>	<u>249,463</u>
	Grants awarded 2021	Total funds 2021
	£	£
Staff costs	61,356	61,356
Depreciation	4,903	4,903
Governance costs	204,641	204,641
	<u>270,900</u>	<u>270,900</u>

12. Auditor's remuneration

	2022 £	2021 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	13,000	13,250
Fees payable to the Company's auditor in respect of:		
All taxation advisory services not included above	1,575	1,500
All non-audit services not included above	<u>899</u>	<u>3,640</u>

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13. Staff costs

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Wages and salaries	533,916	596,072	438,422	457,901
Social security costs	56,849	55,917	56,849	55,917
Contribution to defined contribution pension schemes	24,629	16,832	24,629	16,832
	<u>615,394</u>	<u>668,821</u>	<u>519,900</u>	<u>530,650</u>

The average number of persons employed by the Company during the year was as follows:

	Group 2022 No.	Group 2021 No.
Marketing and Fund Development	4.0	4.0
Charitable activities	6.0	5.0
Operations	4.0	5.9
Finance and Governance	5.3	5.5
	<u>19.3</u>	<u>20.4</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2022 No.	Group 2021 No.
In the band £70,001 - £80,000	1	1

The total key management personnel of the parent charity comprise the Trustees and the Senior Executive Team, as disclosed on page 3. The employee benefits of the key management personnel were £285,057 (2021 - £283,148), including employer's national insurance of £28,040 (2021 - £27,616). The key management personnel for the group are the same as for the charity.

14. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £nil).

During the year ended 31 March 2022, travel expenses totalling £nil were reimbursed or paid directly to Trustees (2021 - £nil to no Trustee).

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15. Intangible assets

Group and Company

	Website £
Cost	
At 1 April 2021	34,577
Additions	17,000
Disposals	(34,577)
At 31 March 2022	<u>17,000</u>
Amortisation	
At 1 April 2021	34,577
Charge for the year	1,063
At 31 March 2022	<u>1,063</u>
Net book value	
At 31 March 2022	<u>15,937</u>
<i>At 31 March 2021</i>	<u>-</u>

The amortisation charge for the year is apportioned between expenditure on raising funds, grants made and property activity.

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16. Tangible fixed assets

Group

	Office equipment £
Cost or valuation	
At 1 April 2021	925,802
Additions	29,408
At 31 March 2022	955,210
Depreciation	
At 1 April 2021	727,869
Charge for the year	80,976
At 31 March 2022	808,845
Net book value	
At 31 March 2022	146,365
<i>At 31 March 2021</i>	197,933

The depreciation charge for the year is apportioned between expenditure on raising funds, grants made and property activity.

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16. Tangible fixed assets (continued)

Company

	Office equipment £
Cost or valuation	
At 1 April 2021	40,650
At 31 March 2022	<u>40,650</u>
Depreciation	
At 1 April 2021	34,979
Charge for the year	2,878
At 31 March 2022	<u>37,857</u>
Net book value	
At 31 March 2022	<u>2,793</u>
At 31 March 2021	<u>5,671</u>

The depreciation charge for the year is apportioned between expenditure on raising funds, grants made and property activity.

17. Investment property

Group

	Freehold investment property £	Long term leasehold investment property £	Total £
Valuation			
At 1 April 2021	38,741,666	1,775,000	40,516,666
Additions	875,000	-	875,000
(Deficit)/surplus on revaluation	(294,916)	358,000	63,084
At 31 March 2022	<u>39,321,750</u>	<u>2,133,000</u>	<u>41,454,750</u>

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17. Investment property (continued)

Company

	Freehold investment property	Long term leasehold investment property	Total
	£	£	£
Valuation			
At 1 April 2021	27,214,916	1,775,000	28,989,916
Additions	875,000	-	875,000
(Deficit)/surplus on revaluation	(294,916)	358,000	63,084
At 31 March 2022	<u>27,795,000</u>	<u>2,133,000</u>	<u>29,928,000</u>

The investment properties were valued at 31 December 2021 by external valuers, Kirby and Diamond, Chartered Surveyors, on the basis of open market value in accordance with the appraisal and valuation manual of the Royal Institution of Chartered Surveyors. The valuation approach is as described in the RICS Information Paper "Comparable Evidence in Property Valuation". The Trustees are of the opinion that there has been no material movement in value of these properties between that date and 31 March 2022.

The historical cost of the properties is £2,994,979 (2021 - £2,994,979).

18. Fixed asset investments

**Listed
investments**

Group	£
Cost or valuation	
At 1 April 2021	18,650,804
Additions	91,375
Disposals	(595,893)
Revaluations	1,557,429
At 31 March 2022	<u>19,703,715</u>
Net book value	
At 31 March 2022	<u>19,703,715</u>
At 31 March 2021	<u>18,650,804</u>

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18. Fixed asset investments (continued)

The historical cost of investments held at 31 March 2022 was £13,005,390 (2020 - £13,296,896).

	Investments in subsidiary companies	Listed investments	Total
Company	£	£	£
Cost or valuation			
At 1 April 2021	400,001	18,650,804	19,050,805
Additions	-	91,375	91,375
Disposals	-	(595,893)	(595,893)
Revaluations	-	1,557,429	1,557,429
At 31 March 2022	<u>400,001</u>	<u>19,703,715</u>	<u>20,103,716</u>
Net book value			
At 31 March 2022	<u>400,001</u>	<u>19,703,715</u>	<u>20,103,716</u>
At 31 March 2021	<u>400,001</u>	<u>18,650,804</u>	<u>19,050,805</u>

Principal subsidiaries

The following were subsidiary undertakings of the Company:

Names	Company number	Principal activity	Class of shares	Holding
MK Community Properties Limited	2650530	Provider of Meeting and Conference Facilities and Small Business Units.	Ordinary £1 shares	100%
MKCP Limited	9466716	Dormant	Ordinary £1 share	100%

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18. Fixed asset investments (continued)

The financial results of the subsidiaries for the year were:

Names	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the year £	Net assets £
MK Community Properties Limited	458,590	(609,032)	(150,442)	11,599,530
MKCP Limited	-	-	-	1

19. Social investments

Group and Company

Cost or valuation	Social Enterprise project £
At 1 April 2021	10,000
Net book value	
At 31 March 2022	10,000
At 31 March 2021	10,000

The Community Foundation still holds a direct equity holding of £10,000 in Future Wolverton to help fund a social enterprise project in the city.

20. Debtors

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Due within one year				
Trade debtors	185,358	77,567	131,489	66,824
Amounts owed by group undertakings	-	-	395,866	235,004
Other debtors	110,838	211,867	110,839	211,867
Prepayments and accrued income	501,721	603,368	419,538	535,835
	797,917	892,802	1,057,735	1,049,530

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20. Debtors (continued)

Included in debtors is £nil (2021 - £51,589) relating to sales proceeds of Community Foundation Land which is due in more than one year.

21. Creditors: Amounts falling due within one year

	Group 2022 £	<i>Group 2021 £</i>	Company 2022 £	<i>Company 2021 £</i>
Trade creditors	16,240	29,476	7,303	16,917
Other taxation and social security	46,243	65,938	46,243	65,938
Other creditors	103,899	174,244	72,845	114,512
Accruals and deferred income	426,918	515,126	383,544	493,539
Grants accrued	403,530	533,282	403,530	533,282
	996,830	<i>1,318,066</i>	913,465	<i>1,224,188</i>

	Group 2022 £	<i>Group 2021 £</i>	Company 2022 £	<i>Company 2021 £</i>
Deferred income at 1 April 2021	273,615	112,066	253,535	93,243
Resources deferred during the year	250,239	273,615	207,989	253,535
Amounts released from previous periods	(273,615)	(112,066)	(253,535)	(93,243)
	250,239	<i>273,615</i>	207,989	<i>253,535</i>

Deferred income represents rent and service charge income received in advance.

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22. Creditors: Amounts falling due after more than one year

	<i>Group 2022 £</i>	<i>Group 2021 £</i>	<i>Company 2022 £</i>	<i>Company 2021 £</i>
Bank loans	1,000,000	1,000,000	1,000,000	1,000,000

Included within the above are amounts falling due as follows:

Between two and five years

Bank loans	1,000,000	1,000,000	1,000,000	1,000,000
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On 31 March 2015, as part of the group re-organisation, a loan was taken out with Handelsbanken for £1.25M. 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 was a break clause enabling the Community Foundation to repay the fixed loan without penalty. On 3 April 2018 the loan was renewed. Under the new loan agreement there is a loan of £1,000,000 which is on a fixed rate of 3.65% until maturity at 6 April 2021 and a loan of £250,000 which is on a variable rate of 2.42% over LIBOR over three years. The loan has been renewed for another 3 years post year end. The loan is secured by a fixed charge over Margaret Powell House, Acorn House and the units in Burners Lane, Stacey Bushes. The carrying value of these properties is £11,400,000 (2021 - £11,200,000).

23. Statement of funds

Statement of funds - current year

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2022 £
Designated funds						
Property	39,253,155	875,000	-	-	63,084	40,191,239
General funds						
Community	2,365,448	3,468,784	(3,640,571)	(24,875)	253,184	2,421,970
Total Unrestricted funds	41,618,603	4,343,784	(3,640,571)	(24,875)	316,268	42,613,209

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23. Statement of funds (continued)

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2022 £
Restricted funds						
Arts Fund	478,994	17,352	(28,585)	-	42,111	509,872
Sports Relief Fund	2,341	-	(2,200)	-	-	141
Margaret Powell (Grants)	356	-	-	-	-	356
MK DASS Fund	349,817	10,255	-	-	26,683	386,755
RDSM Fund	284	225	-	-	-	509
Women's Fund	37,153	1,445	(152)	-	2,531	40,977
thecentre:mk Fund	3,300	-	(1,073)	-	-	2,227
NiftyLift Fund	49,396	1,389	(1,540)	-	3,613	52,858
Family Funds	225,744	46,915	(6,506)	8,500	17,208	291,861
Kara Hurley Memorial Fund	318,811	10,523	(9,625)	500	25,636	345,845
Grassroots Endowment Fund	1,039,847	30,999	(39,355)	-	80,660	1,112,151
Shoosmiths Fund	1,233	47	-	-	-	1,280
Surviving Winter	9,828	7,617	(1,731)	-	-	15,714
Local Giving	116,293	404,238	(444,372)	-	-	76,159
New Communities Funds	228,040	-	(18,745)	-	-	209,295
Jubilee Sports Fund	348	150	(87)	-	-	411
Community First EMC	13,849,416	415,517	(399,287)	3,500	1,065,501	14,934,647
Hopkinson Music Fund	79,707	2,322	-	-	6,041	88,070
Coventry Building Society Fund	1	-	-	-	-	1
VW Fund	10,002	16,360	(7,929)	-	-	18,433
Music Centre Fund	10,365	-	-	-	-	10,365
Business Leaders Fund	6,989	50	(3,845)	-	-	3,194

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23. Statement of funds (continued)

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2022 £
Big Local Conniburrow Fund	38,398	38,595	(43,450)	-	-	33,543
Great Linford Waterslide Festival Fund	43,850	1,382	-	-	3,596	48,828
Prevention of Crime Fund	182	-	-	-	-	182
Rainscourt Fund	15,693	-	(13,200)	-	-	2,493
Tony Byrne Financial Services Fund	45,744	950	(16,500)	-	2,471	32,665
Youth Social Action Fund	13,273	-	2,496	-	-	15,769
Bramwell Fund	13,291	10,000	(10,450)	-	-	12,841
Chichley Fund	47,541	6,901	(3,850)	-	2,807	53,399
ICAEW Social Mobility Fund	1	-	110	-	-	111
New City Fund	10,963	9,230	(2,301)	-	-	17,892
Tampon Tax Fund	2,047	-	-	-	-	2,047
National Lottery Fund	10,700	30,000	(40,700)	-	-	-
Olney Education Trust	6,501	-	-	-	-	6,501
Beadle Fund	55,189	23,801	(4,386)	10,000	3,637	88,241
MK Council 2050 Fund - Flowthrough	31,047	50,000	(55,722)	-	-	25,325
MK Council 2050 Fund - Endowment	101,434	3,275	-	-	8,523	113,232
Watercare Fund	6,615	-	-	-	-	6,615
TVP - Violent Crime Reduction	24,888	-	(24,840)	-	-	48
Covid 19 Emergency Response	79,546	10,170	(37,496)	-	-	52,220
MK Christian Centre Fund	21,435	5,321	(15,495)	-	-	11,261
Norman Hawes Memorial Trust Endowment	137,023	3,975	-	-	10,343	151,341
Norman Hawes Memorial Trust Flowthrough	8,386	-	-	-	-	8,386
NET Emergency Appeal	389	-	-	-	-	389

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23. Statement of funds (continued)

	Balance at 1 April 2021	Income	Expenditure	Transfers in/out	Gains/ (Losses)	Balance at 31 March 2022
	£	£	£	£	£	£
9 Eons Limited	2,852	10,000	(2,475)	-	-	10,377
Anglian Water Positive Difference	6,100	-	-	-	-	6,100
LEAP Fund	3,419	7,000	(8,910)	-	-	1,509
Net DCMS Fund	3,079	-	1,212	-	-	4,291
Covid 19 Recovery Fund	109,226	50,993	(57,348)	-	-	102,871
DCMS Community Match	(2,375)	-	-	2,375	-	-
Sick Mans Friend	9,624	-	-	-	-	9,624
MBS Fund - MK	23,880	(1,038)	(22,842)	-	-	-
MBS Fund - Bucks	18,905	(14,540)	(4,365)	-	-	0
Boswell Mental Health Fund	10,000	2,976	(76)	-	454	13,354
ECOS Active - MK	-	26,000	(5,157)	-	-	20,843
DD McPhail	-	25,000	(24,750)	-	-	250
Personal Assurance Trust	-	10,000	(5,500)	-	-	4,500
Next Generation Fund	-	1,560	(31)	-	-	1,529
National Hockey Fund	-	100,000	(4,950)	-	-	95,050
Routeco Fund	-	10,000	(3,300)	-	-	6,700
Refugee Crisis Appeal	-	9,321	(67)	-	-	9,254
Torrin AM Fund	-	2,139	-	-	(108)	2,031
Limb Family Fund	-	8,143	-	-	2,538	10,681
Great Linford Fund	-	2,955	-	-	-	2,955
Arts Council Queens Platinum Jubilee	-	29,755	(29,755)	-	-	0
Thrive Homes	-	15,000	-	-	-	15,000
Total restricted funds	17,717,111	1,454,268	(1,399,130)	24,875	1,304,245	19,101,369
Total of funds	59,335,714	5,798,052	(5,039,701)	-	1,620,513	61,714,578

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23. Statement of funds (continued)

Milton Keynes Community Foundation maintains a number of separate funds, the movements in which are detailed in this note and the net assets of which are analysed in note 25. 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

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

This fund represents the net book value of the freehold and leasehold properties owned by the group, less mortgages raised to purchase properties, together with a reserve towards future property maintenance.

Restricted funds

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

Statement of funds - prior year

	<i>Balance at 1 April 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 March 2021 £</i>
Designated funds						
Property	51,046,314	-	-	-	(11,793,159)	39,253,155
General funds						
Community	2,123,596	1,952,476	(2,205,108)	(12,579)	507,063	2,365,448
Total Unrestricted funds	<u>53,169,910</u>	<u>1,952,476</u>	<u>(2,205,108)</u>	<u>(12,579)</u>	<u>(11,286,096)</u>	<u>41,618,603</u>

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23. Statement of funds (continued)

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
Restricted funds						
Arts Fund	388,190	19,209	(11,665)	-	83,259	478,994
Sport Relief Fund	2,341	-	-	-	-	2,341
Margaret Powell (Grants)	356	-	-	-	-	356
MK DASS Fund	287,017	10,042	-	-	52,758	349,817
RSM Fund	1,013	281	(1,011)	-	-	284
Women's Fund	29,049	4,089	(990)	-	5,005	37,153
Thecentre:mk Fund	4,950	-	-	(1,651)	-	3,300
NiftyLift Fund	41,605	3,143	(2,200)	(297)	7,145	49,396
Family Funds	154,458	42,575	(7,581)	9,245	27,047	225,744
Kara Hurley Memorial Fund	262,416	10,879	(5,500)	500	50,516	318,811
Grassroots Endowment Fund	878,715	30,354	(22,083)	(6,616)	159,477	1,039,847
Shoosmiths Fund	1,429	43	(239)	-	-	1,233
Surviving Winter Open University Fund	28,065	7,760	(1,652)	(24,345)	-	9,828
	221	-	-	(221)	-	-
Local Giving New Communities Funds	77,502	465,149	(426,357)	-	-	116,293
	231,304	-	(3,264)	-	-	228,040
Jubilee Sports Fund Community First EMC	4,605	300	(4,557)	-	-	348
	11,603,162	490,963	(336,907)	(47,693)	2,139,890	13,849,416
Hopkinson Music Fund	65,492	2,273	-	-	11,942	79,707
Coventry Building Society Fund	1	-	-	-	-	1
VW Fund	11,391	10,000	(11,389)	-	-	10,002
Music Centre Fund Business Leaders Fund	10,128	-	-	237	-	10,365
	14,730	-	(7,741)	-	-	6,989
Big Local Conniburrow Fund Great Linford Waterslide Festival Fund	38,933	84,000	(84,535)	-	-	38,398
	38,065	1,353	-	(2,676)	7,108	43,850
Prevention of Crime Fund	4,441	-	(1,650)	(2,609)	-	182
Rainscourt Fund Tony Byrne Financial Services Fund	8,443	6,250	1,000	-	-	15,693
	34,151	8,383	(1,100)	-	4,310	45,744

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**NOTES TO THE FINANCIAL STATEMENTS
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23. Statement of funds (continued)

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
Youth Social Action Fund	13,273	-	-	-	-	13,273
Bramwell Fund	4,188	13,886	(4,783)	-	-	13,291
Chichley Fund	38,522	6,862	(3,328)	-	5,484	47,541
ICAEW Social Mobility Fund	21,106	-	(9,041)	(12,064)	-	1
Netherfield Children Centre Legacy Fund	1	-	-	(1)	-	-
New City Fund	5,821	5,210	(68)	-	-	10,963
Tampon Tax Fund	2,015	32	-	-	-	2,047
National Lottery Fund	175,700	-	(165,000)	-	-	10,700
Olney Education Trust	6,501	-	-	-	-	6,501
Beadle Fund	45,764	1,704	(1,231)	-	8,952	55,189
MK Council 2050 Fund - Flowthrough	127,113	50,000	(46,066)	(100,000)	-	31,047
MK Council 2050 Fund - Endowment	-	772	-	100,000	662	101,434
Watercare Fund	6,615	-	-	-	-	6,615
TVP - Violent Crime Reduction Covid 19 Emergency Response	34,500	-	(9,612)	-	-	24,888
MK Christian Centre Fund	50,498	129,476	(201,196)	100,768	-	79,546
Norman Hawes Memorial Trust Endowment	28,795	-	(7,360)	-	-	21,435
Norman Hawes Memorial Trust Flowthrough	127,000	3,866	-	-	6,157	137,023
NET Emergency Appeal	-	8,386	-	-	-	8,386
9 Eons Limited	-	325,088	(324,699)	-	-	389
Anglian Water Positive Difference	-	10,000	(7,148)	-	-	2,852
LEAP Fund	-	19,200	(13,100)	-	-	6,100
Net DCMS Fund	-	39,999	(36,581)	-	-	3,419
Covid 19 Recovery Fund	-	145,489	(142,410)	-	-	3,079
MK Food Support DCMS Community Match	-	150,000	(40,774)	-	-	109,226
	-	157,000	(157,000)	-	-	-
	-	79,500	(81,875)	-	-	(2,375)

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23. Statement of funds (continued)

	Balance at 1 April 2020	Income	Expenditure	Transfers in/out	Gains/ (Losses)	Balance at 31 March 2021
	£	£	£	£	£	£
Sick Mans Friend	-	9,624	-	-	-	9,624
MBS Fund - MK	-	23,880	-	-	-	23,880
MBS Fund - Bucks	-	18,905	-	-	-	18,905
Boswell Mental Health Fund	-	10,000	-	-	-	10,000
Total restricted funds	14,909,588	2,405,926	(2,180,694)	12,579	2,569,712	17,717,111
Total funds	68,079,498	4,358,402	(4,385,802)	-	(8,716,384)	59,335,714

23. Summary of funds

Summary of funds – current year

	Balance at 1 April 2021	Income	Expenditure	Transfers in/out	Gains/ (Losses)	Balance at 31 March 2022
	£	£	£	£	£	£
Designated funds	39,253,155	875,000	-	-	63,084	40,191,239
General funds	2,365,448	3,468,784	(3,640,571)	(24,875)	253,184	2,421,970
Restricted funds	17,717,111	1,454,268	(1,399,130)	24,875	1,304,245	19,101,369
	59,335,714	5,798,052	(5,039,701)	-	1,620,513	61,714,578

Summary of funds – prior year

	Balance at 1 April 2020	Income	Expenditure	Transfers in/out	Gains/ (Losses)	Balance at 31 March 2021
	£	£	£	£	£	£
Designated funds	51,046,314	-	-	-	(11,793,159)	39,253,155
General funds	2,123,596	1,952,476	(2,205,108)	(12,579)	507,063	2,365,448
Restricted funds	14,909,588	2,405,926	(2,180,694)	12,579	2,569,712	17,717,111
	68,079,498	4,358,402	(4,385,802)	-	(8,716,384)	59,335,714

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**NOTES TO THE FINANCIAL STATEMENTS
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25. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	146,365	-	146,365
Intangible fixed assets	15,937	-	15,937
Fixed asset investments	602,346	19,101,369	19,703,715
Investment property	41,454,750	-	41,454,750
Social investments	10,000	-	10,000
Current assets	2,380,641	-	2,380,641
Creditors due within one year	(996,830)	-	(996,830)
Creditors due in more than one year	(1,000,000)	-	(1,000,000)
Total	42,613,209	19,101,369	61,714,578

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	197,933	-	197,933
Fixed asset investments	3,365,949	15,284,855	18,650,804
Investment property	40,516,666	-	40,516,666
Social investments	10,000	-	10,000
Current assets	(153,879)	2,432,256	2,278,377
Creditors due within one year	(1,318,066)	-	(1,318,066)
Creditors due in more than one year	(1,000,000)	-	(1,000,000)
Total	41,618,603	17,717,111	59,335,714

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

	Group 2022 £	Group 2021 £
Net income/expenditure for the year (as per Statement of Financial Activities)	2,378,864	(8,743,784)
Adjustments for:		
Depreciation charges	80,976	113,712
Amortisation charges	1,063	-
Gains/(losses) on investments	(1,620,513)	8,716,384
Dividends, interests and rents from investments	(595,759)	(625,842)
Decrease in debtors	94,885	171,902
Increase/(decrease) in creditors	(321,236)	371,057
Donated land site	(875,000)	-
Net cash provided by/(used in) operating activities	(856,720)	3,429

27. Analysis of cash and cash equivalents

	Group 2022 £	Group 2021 £
Cash in hand	1,582,724	1,385,575

28. Analysis of changes in net debt

	At 1 April 2021 £	Cash flows £	At 31 March 2022 £
Cash at bank and in hand	1,385,575	197,149	1,582,724
Debt due after 1 year	(1,000,000)	-	(1,000,000)
	385,575	197,149	582,724

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**NOTES TO THE FINANCIAL
STATEMENTS FOR THE YEAR
ENDED 31 MARCH 2022**

29. Grant commitments

Analysis of grants made	Unrestricted funds	Restricted funds	Big Local Conniborrow	Local Giving	Total
	£	£	£	£	£
Voluntary groups and charities	-	916,908	38,595	404,238	1,359,741
Individuals	-	-	-	-	-
Total	-	916,908	38,595	404,238	1,359,741

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

Reconciliation of grants payable

	2022 £	2021 £
Grants to Voluntary Groups and Charities	916,908	1,734,228
Grants through Local Giving	404,238	426,357
Big Local Conniborrow Project	38,595	84,535
Grants to Individuals	-	9,000
	1,359,741	2,254,120
Commitments at 1 April	533,282	336,104
Commitments made in the year	1,376,220	2,376,514
Grants cancelled or recovered	(16,479)	(18,225)
Grants payable for the year	1,359,741	2,358,289
Grants paid during the year	(1,489,493)	(2,161,111)
Commitments at 31 March	403,530	533,282
Commitments at 31 March are payable as follows:		
Within one year	403,530	533,282
After one year	-	-
	403,530	533,282

30. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund managed by Royal London on behalf of the organisation. The pension cost charge represents contributions payable by the group to the fund and amounted to £24,629 (2021 - £16,832). There were no contributions payable to the fund at the balance sheet date (2021 - £nil).

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31. Operating lease commitments

At 31 March 2022 the Group and the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2022 £	<i>Group 2021 £</i>	Company 2022 £	<i>Company 2021 £</i>
Not later than 1 year	16,470	71,652	7,057	38,185
Later than 1 year and not later than 5 years	7,841	28,354	7,057	7,057
	24,311	100,006	14,114	45,242

32. 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 group 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, Stacey Bushes and Number 56 Buckingham Street Wolverton) or Community Foundation Land sites (32 undeveloped and 1 developed).

Based on the open market value, as at 31 March 2022 the total potential liability for the clawback was £12,086,750 (2021 - £13,343,155). No provision has been made for deferred tax that may arise if the properties were sold in the future. It is the Trustees' opinion that no tax would arise on a future sale of the properties as any profits from such sale would be distributed via Gift Aid to the company's charitable parent Milton Keynes Community Foundation from its subsidiary company, MK Community Properties Limited. Milton Keynes Community Foundation is part of a VAT group with its subsidiary, MK Community Properties, and is therefore jointly liable for any VAT debts of MK Community Properties Limited.

33. 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 £1,641 (2021 - £1,706).

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**NOTES TO THE FINANCIAL STATEMENTS
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34. 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. Total individual donations received from Trustees in the year amounted to £1,605 (2021 - £1,605). 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 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 £1,260,000 per annum for the year to 31 March 2022 (2021 - £1,220,000).

During the year Milton Keynes Community Foundation Limited charged rent and service charges to MK Community Properties Limited in the sum of £266,772 (2021 - £261,798). Milton Keynes Community Foundation Limited purchased room hire and catering services from MK Community Properties Limited during the year amounting to £nil (2021 - £nil). These transactions have been removed on consolidation.

During the year, grants totalling £60,000 (2021 - £nil) were awarded to MK Gallery Enterprises (of which K Chadwick, a Trustee, is a director), grants totalling £nil (2021 - £110,000) were awarded to MK Gallery (of which C Baume, a Trustee, was a trustee), grants totalling £3,100 (2021 - £5,000) were awarded to Worktree (of which J Sinclair and P Zumbika-Lwanga, Trustees, are trustees) and grants totalling £nil (2021 - £8,250) were awarded to Trubys Garden Tea Rooms (of which Mrs K Mirza, a Trustee, is a Trustee). There was £60,000 outstanding owed to the related party at the year end (2021 - £80,000).

35. Financial instruments

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Financial assets				
Financial assets measured at fair value through income and expenditure	1,582,724	18,660,804	1,310,343	18,660,804

Financial assets measured at fair value through income and expenditure comprise of the listed and social investments.