



**Milton Keynes Community Foundation Limited**

(a company limited by guarantee)

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

31 March 2011

Registered company number 2032715

Registered charity number 295107

## Trustees' report and financial statements of the Group

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## Chair's Report

2010-11 has been an exciting and challenging year for the MK Community Foundation.

We are delighted to announce that despite the challenging economic climate we continued to engage and support our increasingly diverse community and provided significant community benefit. Our total contribution to the local voluntary and community sector was £1,056,074. We gave 252 grants to 195 recipients to the value of £469,691. We are currently funding 61% of grant applications. We supported 36 tenants with subsidised rent to the value of £538,720.

The tough economic climate continued to have an impact on the donations we received, with some companies having to reduce their level of giving. We have however worked extremely hard to increase our corporate, individual and family members and have successfully established a number of new Named Funds.

We have seen growth in restricted donations where donors specify the areas they wish to support. This has resulted in us having less unrestricted income which has impacted on the flexibility of our grant making. We are now focusing our efforts on achieving a balance between endowed and flow through income, ensuring we are maintaining our level of grant making.

The Grassroots Endowment Challenge comes to an end and we're delighted to announce that with the government match we raised £609,216 from this initiative. We have continued to maximise opportunities to secure national funding for Milton Keynes.

In preparation of our 25<sup>th</sup> Birthday Celebrations during 2011, we refreshed our brand ensuring it reflected the creativity, energy and vibrancy of our organisation. Our brand highlights the vital role we play in connecting and growing our community. Our work with the High Sheriff, Countess Howe culminated in the High Sheriff's Concert in January 2011 which launched our 25<sup>th</sup> Birthday Celebrations and fundraising for our 25<sup>th</sup> Birthday Fund.

Acorn House has gone from strength to strength, and is fast reaching full capacity. As part of our 25<sup>th</sup> Birthday celebrations we launched an exciting new gallery on the ground floor, for local artists to showcase their work.

We are also in the process of reviewing all of our properties and community reserve sites through our Property Company, to ensure that the potential for community benefit is maximised wherever possible.

As one of the first 5 Community Foundations established in the UK 25 years ago, we continue to be a beacon in the UK wide network of Community Foundations, having achieved excellence in developing community philanthropy and our donor care work.

I would like to say a special thank you to our President Alexander Boswell, and our Vice-Presidents and Ambassadors for their continued support in developing community philanthropy. Our Community Representatives have been invaluable in helping us to assess grant applications and I would also like to thank all of our donors for their generous contributions.

Finally, I would like to say how deeply grateful I am to my fellow trustees, advisers and members of our staff, without whose dedication and generous time commitment our work would not be possible.

**Peter Kara**

Chair of Trustees

## Trustees' annual report

### Reference and administrative information

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

#### Investment Managers

Newton Investment Management Limited  
Mellon Financial Centre  
160 Queen Victoria Street  
London  
EC4V 4LA

#### Auditors

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

#### Solicitors

emw law  
Seckloe House  
101 North 13<sup>th</sup> Street  
Central Milton Keynes  
MK9 3NX

#### Property Manager

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

Geoffrey Leaver  
251 Upper Third Street  
Bouverie Square  
Central Milton Keynes  
MK9 1DR

#### Directors and trustees

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

<b>Richard Brown</b>	(Re-appointed 23 September 2010)
<b>Judith Hooper</b>	
<b>Peter Kara</b>	(Chair of Trustees)
<b>Roger Kitchen</b>	
<b>Fola Komolafe</b>	
<b>Jane Matthews</b>	
<b>Michael Murray DL</b>	
<b>Stephen Norrish MBE</b>	(Deputy Chair)
<b>Peter Selvey</b>	(Treasurer) (Re-appointed 23 September 2010)
<b>Francesca Skelton DL</b>	(Re-appointed 23 September 2010)
<b>Ruth Stone</b>	(Re-appointed 23 September 2010)

#### **Senior Executive**

<b>Julia Upton</b>	Chief Executive
<b>Maya Hussain</b>	Director of Marketing and Fund Development
<b>Bart Gamber</b>	Grants Director
<b>Laura Keen</b>	Finance Director

## Trustees' annual report (continued)

The trustees have pleasure in presenting their annual report and audited financial statements for the year ended 31 March 2011.

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

The accounts on pages 18 to 44 incorporate all the various funds within the Community Foundation. An analysis of the group income and expenditure between the various funds is provided in note 20.38.

## Objectives and Activities

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

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

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

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

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

**Development Grants** are for established groups looking at the next stage of their development. Funding for 1, 2 or 3 years is available for innovative projects and the maximum awarded is £25,000 per year. Due to the economic climate the Community Foundation is currently not accepting new applications for this type of grant.

As part of our 25<sup>th</sup> Birthday celebrations, we are offering two **STEP Grants** during 2011/12. These are designed to help two Milton Keynes based charities develop and come through this difficult economic period, better prepared to face the future and offer services and support for local people. One grant is open to all charities and the other, coming from the Margaret Powell Fund, is specifically for those working with frail older people and people with disabilities.

In order to provide broader funding in targeted areas, the Community Foundation launched Partnership Funds in April 2008. Working with Milton Keynes Art Association and Sport MK these funds will be used to distribute annual awards to small groups within each field. Drawing on the expertise of these two organisations, Partnership Funds will enable the Community Foundation to reach a wider range of groups most in need of resources.

In April 2008 the Community Foundation applied to deliver Grassroots Grants and the Grassroots Endowment Challenge. In July 2008 it was confirmed that we were successful and since then we have been both administering funds and seeking to raise additional funds for the Endowment Challenge on behalf of the Office for the Third

Sector. This program came to an end on 31 March 2011. Over the three years of the program the Community Foundation awarded 135 grants to 116 small grassroots community groups totalling £272,533. In addition, the Endowment Challenge has enabled us to build a fund of £609,216. The investment return on this fund will be available to help similar groups in the future.

The Community Foundation also has a number of community representatives who, with the trustees, make decisions on grant awards. Representatives serve for a maximum of three years, and the Community Foundation reviews the representatives annually to ensure that we continue to draw from a wide range of people, be it at grass-root level, the voluntary sector, professionals or specialists. The uniqueness of a representative is the combination of impartiality, experience and expertise that they bring to the decision-making process. There are currently 11 community representatives who participate in the decision-making process in the Community Foundation's grants committees. The Community Foundation is aware that it faces a number of new challenges in both the short and long term due to the future expansion plans for Milton Keynes arising from both the government's Growth Agenda proposals and the development of Central Milton Keynes. In particular, it is projected that these expansion plans will result in the emergence of additional voluntary and community organisations in Milton Keynes by 2016. To address the challenges this expansion will pose and the downturn in the economy, the Community Foundation developed a new three year strategic framework in 2011. In this critical time of change and growth for Milton Keynes, this strategic framework identified three key **Aims** as follows:

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

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

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

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

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

In March 2011 the Board of Trustees reviewed the activities over the previous twelve months. It was reported that the previous three year plan had been completed successfully achieved, and that the Community Foundation had:

#### Fund Development & Communications

- Successfully completed the Grassroots Endowment Challenge with a fund of £609,216 raised over the three years of the program.
- Developed the work of our Honorary Structure to both engage the community and develop community philanthropy.
- Held a Philanthropy event at Tyringham Hall which has led to a number of new donors.
- Completed the rebrand of the whole organisation with the launch of the new logo and mission statement in January 2011.
- Engaged with four different families about legacy donations.
- Secured a new fund for the Expansion Areas which will be able to begin making grants during 2011/12.
- Received over 55 new donations ranging from £10 to £25,000.
- Launched the 25<sup>th</sup> Birthday Fund to raise both endowment and flow through funds.
- Engaged with local groups about use of the Localgiving.com website and began the process of getting groups on line.

#### Property Company

- Attended three community engagement events with Parish and Town Councils to keep them informed about Community Reserve Sites (CRS) in their area.
- Continued the review of our processes for organisations applying for CRS.
- Continued to review the procedure for Voluntary and Community Sector (VCS) organisations to apply for accommodation at a subsidised rent in order to align it with our grant application process.
- The Property Development Task Group continued to:
  - Look at opportunities for redeveloping Acorn House
  - Investigate how we might develop/secure CRS growth areas
  - Consider how we proceed with developing CRS and how we allocate land.

#### Acorn House

- Increased membership.
- Worked with existing tenants who wish to relinquish or take on extra space.
- Converted empty office space into temporary meeting rooms to utilise the empty space and meet the growing demand for affordable meeting rooms.
- As a result of the success of the initial 4 small business units, a further 7 were created and are all occupied. These units are available for small organisations from any sector who are not in a position to commit to a long lease. We continue to receive enquiries about this type of accommodation and are exploring the possibility of making more space available in this way.
- Redesigned the ground floor layout to create a gallery space which could be used for exhibitions or small events. The Gallery was launched in January 2011 with a display of works from the Arts and Crafts Bursary Finalists.

**Trustees' annual report (continued)**

**Grants**

- £62,500 of community cash was received in April 2010 to support local groups requiring funds of up to £1,000. 100 applications were received and 65 grants awarded.
- As a result of the success of the Arts Bursary launched in 2009/10, an additional bursary for Traditional Arts and Crafts was added in 2010/11 with a joint event to announce the winners being held at the Milton Keynes Gallery.
- Completion of the Grassroots Programme of Small Grants which has helped 116 organisations and given out £272,533 in grants over the three years.

**Governance**

- Underwent a Quality Assessment Review, endorsed by the Charity Commission, and achieved an exemplary performance in Donor Services and Fund Development.

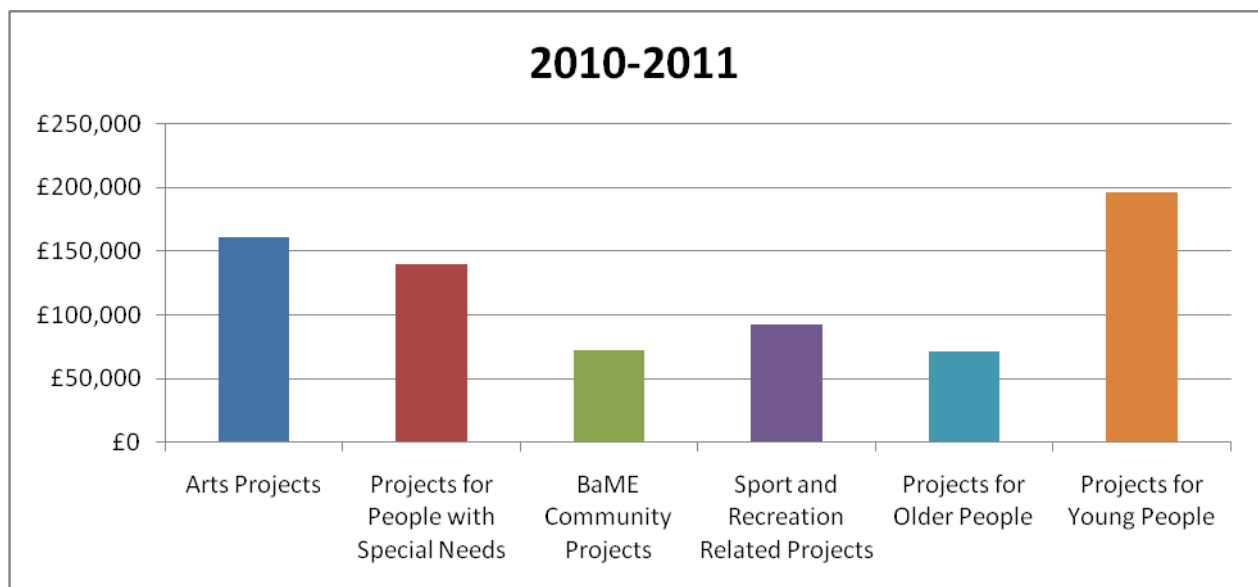
**Achievements and Performance**

Total support provided by the Community Foundation to the Voluntary and Community sector during the financial year ended 31 March 2011 totalled £1,056,074 (2010: £1,067,462).

**Grant Making**

The amount of £469,691 (2010: £500,772) was awarded in grants by the Community Foundation during the year. The grants awarded in the year ended 31 March 2011 were in the themed areas shown in the chart below.

**Themed areas of grants awarded**



This level of grant making enabled funding to be provided to 195 local organisations in order to support 252 projects that covered a wide range of initiatives in Milton Keynes during the year to 31 March 2011. In addition 2 grants were awarded to individuals within the local arts community.

The level of grant making achieved during the year means that the Community Foundation has now awarded in excess of £7.6m in grants since 1986.

## Trustees' annual report (continued)

### MK Community Properties Ltd

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

The property portfolio comprises approximately 199,353 square feet of accommodation to be let along with 46 Community Reserve Sites. As at 31 March 2011, void space within the portfolio totalled 4,152 square feet (2010: 25,772 square feet) and, therefore, 97.9% (2010:86.9%) of the total portfolio is currently let. This, together with CRS sales, has meant the trading profit of the Property company for the year amounted to £304,006 (2010: £220,112) and under the terms of gift aid a payment of £300,000 (2010: £222,000) has been made on account to the Community Foundation in respect of the year.

This has also enabled the Community Foundation, through its trading subsidiary, to support the Voluntary and Community sector by providing accommodation on preferential terms. The amount of this subsidy, the difference between the full commercial rental and the subsidised rent paid by 36 Voluntary and Community sector tenants was in excess of £538,000 (2010: £550,000) per annum for the year to 31 March 2011.

### Donations Received

During the year to 31 March 2011 voluntary income received by the Community Foundation totalled £836,114 (2010: £792,250).

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

### Acorn House Flagship Building

To maximise the potential of the new facilities that were created in Acorn House in 2005, the focus has been to widely promote and manage the resources available to existing and start-up groups and organisations. In this financial year 293 events took place in the conference and training suite (2010: 284). Due to the difficult economic climate, space has become available within Acorn House which has been utilised by the Acorn House Team to provide additional flexible facilities for the community until new tenants can be found.

### Community Reserve Sites

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

The Shenley Brook End CRS 2A reservation by the Church of God of Prophecy has now expired. They have planning approval, but are unable to fund their plans at present and so have applied to reserve the site for a further two years. This group plans to create a Centre, which will include a childcare nursery, youth programme, training and care groups for newcomers. The Milton Keynes Muslim Association's reservation on the Coffee Hall site has also expired. They too have planning permission and are expected to reapply. They aim to provide a Community Centre on the site. Fishermead 9B is currently under reservation to the Sri Lankan Muslim Community Foundation and Westcroft is reserved by Shenley Brook End and Tattenhoe Parish Council. Granby is reserved by the KSI Muslim Community.

## Trustees' annual report (continued)

### Financial Review

During the financial year ended 31 March 2011 the Community Foundation generated a net surplus before other recognised gains and losses of £424,730 (2010: £189,101).

Revaluation gains at 31 March 2011 of £193,389 have contributed to an increase in the total value of the Community Foundation's funds to £9,166,545 (2010: £8,548,426). This level of funds continues to ensure sustainability and enables the Community Foundation to continue to support the growing local community in as many ways as possible.

#### Incoming Resources

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

The income received by the Community Foundation in the year ended 31 March 2011 totalled £ 1.9m (2010: £1.8m), which is an improvement on the previous year as a result of better returns from the property company subsidiary.

#### Resources Expended

Out of the 410 applications received by the Foundation, 252 grants were awarded (2010: 161 grants awarded) totalling £469,691 (2010: £500,772) providing support to 195 local charities and voluntary and community organisations and 4 individuals. Of these awards, £85,939 remained unpaid at the year-end (2010: £59,323).

The Group's total operating costs continue to be closely monitored, and for the year ended 31 March 2011 amounted to £1,056,204 (2010: £1,082,547).

Excluding the income generated from sales of Community Reserve Sites and the income and costs associated with the Acorn House Flagship Building refurbishment project, property trading costs absorbed 70p of every £1 raised from property income (2010: 80p of every £1). This is back to the level achieved in 2009 as a result of the increased occupancy within the property portfolio.

#### Investments

The group's investments were valued at the year-end at £4,092,973 (2010: £3,591,417). The majority (84.8% of year end value) of these investments were held in the segregated fund managed by the investment managers Newton Investment Management Ltd. Direct investment in Equities formed 1.6% of the investments and 13.6% was invested in M & G Charibonds. Details of the type of investments held by the Community Foundation are set out in note 13 to the financial statements.

The general investment scene during the twelve months to 31 March 2011 was one of a further recovery, attenuated at the last moment by the effect of the Japanese tsunami. The performance of the Community Foundation's portfolio has seen a growth in value over the year which has been in the main due to increasing the amount of funds held in the bond and equity markets.

## Trustees' annual report *(continued)*

### Investments *(continued)*

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

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

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

As a result of continuing low level of return on cash deposits, the Trustees decided to invest the remaining Grassroots Endowment Match monies in M & G Charibonds. These are benchmarked against the FTSE British Government All Stocks Index. Also two of the restricted donor funds were invested with Newton Investment Management Limited.

### Freehold and Leasehold properties

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

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

### Reserves

Since 1994 it has been the policy of the charity to hold reserves in the Community Fund totalling at least £1 million, which have not been committed or designated for any particular purpose. However, in accordance with the ethos of Community Foundations, the trustees continue to build these invested funds over and above this minimum level in order to ensure that the investment income derived from these funds would protect future beneficiaries and operations of the charity from the effects of any unforeseen variations in its income streams and underwrite a continuation in the year-on-year growth in the grants budget. In July 2008 we were successful in securing funds from the Office of the Third Sector for the Grassroots Endowment Challenge. In 2009, as a result of our success in raising endowment as part of this challenge, we applied for additional match funding and were successful in securing a further £72,000. This has enabled the Community Foundation to build a Grassroots Endowment Fund of £609,216 in the three years to 31 March 2011 which will be able to begin making grants from 1 April 2011. At 31 March 2011 the amount of unrestricted funds was £7,098,579 (2010: £6,724,643).

## Trustees' annual report (continued)

### Reserves (continued)

Within the unrestricted funds, the trustees have designated from the Community Fund a separate Property Fund equal in value to the properties held by the subsidiary company, MK Community Properties Ltd., together with a reserve towards the cost of future property repairs and refurbishments. It is the intention of the trustees that this fund will be maintained at levels over a 10 year period that will be sufficient to finance the repairs and refurbishment of the property portfolio that have been identified as being required in order to ensure that the property portfolio remains in a 'fit for purpose' state. A share of the investment income earned by the Community Foundation on monies held on deposit will be allocated to this reserve to be reinvested rather than being used for grant-making purposes. At 31 March 2011, this reserve amounted to £252,888.

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

## Plans for Future Periods

### Marketing and Fund Development

The Marketing and Fund Development (Philanthropy) team are proactively developing community philanthropy through a series of philanthropy focused activities. We are looking to enhance our offer for our community philanthropists ensuring it is a rewarding and valuable experience for all. We will continue to recruit and retain our corporate and individual/family members and provide them with excellent donor care.

We have successfully achieved our targets for the Government's Grassroots Endowment Challenge and are now focusing on increasing our flow through and unrestricted income, whilst continuing to build our endowment.

A brand refresh project was undertaken in 2010/11 by the team who worked closely with a number of trustees and external stakeholders. The brand refresh has resulted in a new vision, mission and values for the MK Community Foundation which is complemented by a refreshed visual identity. The brand represents our vibrant, creative, professional and welcoming culture. The new brand will help the team to continue engaging proactively with donors, the voluntary sector and the wider community. The team will continue to raise the profile of the MK Community Foundation in line with the 25<sup>th</sup> Birthday celebrations.

### Meeting the Challenges of Growth

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

- Making adjustments to the security in the café kitchen to enable the space to be utilised outside of café hours for events
- Making available more small business units for small organisations to use on a flexible basis
- Redevelop the recycling room to enable the buildings tenants to recycle as much of their waste as possible to reduce our impact on the environment
- Recruiting volunteers to provide extra resource.

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

## Trustees' annual report (continued)

### Meeting the Challenges of Growth (continued)

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

Next year will also see the development of a grant programme in the growth areas funded by the Roof Tariff (an obligation on developers to ensure that part of their profits on new housing developments is put to community benefit).

We will also be engaging with more groups to help them develop pages on the Localgiving.com website enabling them to raise more money for projects and core costs.

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

### Governance and Management

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

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

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

## Structure, governance and management

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

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

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

## Trustees' annual report *(continued)*

### Trustee recruitment, induction and training

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

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

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

### Organisation

The Community Foundation currently has 11 trustees. The trustees are responsible for ensuring the Community Foundation continues to meet its charitable objectives as set out in its Memorandum and Articles of Association. A Chief Executive is appointed by the trustees to manage the day-to-day operations of the Community Foundation. To facilitate effective operations, the Executive has delegated authority, within terms of delegation approved by the trustees, for operational matters.

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

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

### Related Parties

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

### Risk Management

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

In the latest review, 125 risks were identified and have been evaluated in terms of potential severity of impact and likelihood of their occurrence. Of the 125 risks identified none were considered to need immediate corrective action.

## Trustees' annual report *(continued)*

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

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

As at 31 March 2011, the value of The Powell Foundation's funds was £3,877,889 (2010: £3,829,470) and the investments supporting these funds are held separately with different fund managers from those employed by the Community Foundation. The performance and results of The Powell Foundation are reported separately from the Community Foundation and a separate Annual Return is submitted to the Charity Commission.

### Auditors

Grant Thornton UK LLP offer themselves for reappointment as auditors.

On behalf of the board

**Stephen Norrish MBE**  
Trustee

25 July 2011

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

## Trustees' annual report *(continued)*

### Statement of trustees' responsibilities

#### Trustees' responsibilities for the financial statements

The trustees (who are also directors of Milton Keynes Community Foundation Limited for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law, the trustees have elected to prepare financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP
- make judgements and estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in business.

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

In so far as each of the trustees is aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor are aware of that information.

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

**Stephen Norrish MBE**  
Trustee

25 July 2011

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

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

We have audited the financial statements of Milton Keynes Community Foundation Limited for the year ended 31 March 2011 which comprise the group statement of financial activities (incorporating an Income and Expenditure account), the group and charitable company balance sheets and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members and trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 43 of the Charities Act 1993. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 15, the trustees' (who are also the directors of Milton Keynes Community Foundation Limited for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditor under the Companies Act 2006 and section 43 of the Charities Act 1993 and report in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB) Ethical Standards for Auditors.

### Scope of the audit of the financial statements

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

### Opinion

In our opinion, the financial statements:

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

### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Simon Jones**

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

**25 July 2011**

## Group Statement of Financial Activities (incorporating an Income and Expenditure Account)

*for the year ended 31 March 2011*

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2011 £	Total 2010 £
<b>Incoming resources</b>					
<b>Incoming resources from generated funds</b>					
Voluntary income	2	266,669	569,445	836,114	792,250
Activities for generating funds		39,711	-	39,711	32,506
Investment income	3	446,624	58,528	505,152	517,322
<b>Total incoming resources from generated funds</b>		<b>753,004</b>	<b>627,973</b>	<b>1,380,977</b>	1,342,078
<b>Incoming resources from charitable activities – Trading subsidiary</b>	4	547,863	-	547,863	453,878
<b>Total incoming resources</b>		<b>1,300,867</b>	<b>627,973</b>	<b>1,928,840</b>	1,795,956
<b>Resources expended</b>					
<b>Costs of generating funds</b>					
Costs of generating voluntary income	7	236,654	4,588	241,242	204,382
Fundraising trading costs	7	19,975	-	19,975	15,611
Investment management costs	7	260,315	245	260,560	307,262
<b>Total costs of generating funds</b>		<b>516,944</b>	<b>4,833</b>	<b>521,777</b>	527,255
<b>Charitable activities</b>					
Grants made		243,017	407,176	650,193	665,656
Property company trading subsidiary		346,919	-	346,919	322,059
<b>Total charitable expenditure</b>	8	<b>589,936</b>	<b>407,176</b>	<b>997,112</b>	987,715
<b>Governance costs</b>	7	<b>80,933</b>	<b>1,218</b>	<b>82,151</b>	79,376
<b>Other resources expended</b>	7	-	3,697	3,697	5,317
<b>Total resources expended</b>		<b>1,187,813</b>	<b>416,924</b>	<b>1,604,737</b>	1,599,663
<b>Net incoming resources for the year</b>		<b>113,054</b>	<b>211,049</b>	<b>324,103</b>	196,293
Realised gains / (losses) on investments		78,016	22,611	100,627	(7,192)
<b>Net income for the year</b>		<b>191,070</b>	<b>233,660</b>	<b>424,730</b>	189,101
<b>Other recognised gains and losses</b>					
Unrealised gains on investments	13	77,366	10,523	87,889	775,464
Revaluation of freehold and leasehold properties	12	105,500	-	105,500	675,547
<b>Net movement in funds</b>		<b>373,936</b>	<b>244,183</b>	<b>618,119</b>	1,640,112
Fund balances brought forward at 1 April		6,724,643	1,823,783	8,548,426	6,908,314
<b>Fund balances carried forward at 31 March</b>		<b>7,098,579</b>	<b>2,067,966</b>	<b>9,166,545</b>	8,548,426

All activities of the group are classed as continuing.

## Group balance sheet

at 31 March 2011

	Note	2011 £	2010 £
<b>Fixed assets</b>			
Tangible assets	12	4,159,521	4,057,167
Investments	13	4,092,973	3,591,417
		<hr/>	<hr/>
		8,252,494	7,648,584
<b>Current assets</b>			
Debtors	14	356,723	275,103
Cash at bank and in hand		925,782	837,684
		<hr/>	<hr/>
		1,282,505	1,112,787
<b>Creditors: Amount falling due within one year</b>	15	(368,454)	(212,945)
		<hr/>	<hr/>
Net current assets		914,051	899,842
		<hr/>	<hr/>
<b>Net assets</b>		9,166,545	8,548,426
		<hr/>	<hr/>
<b>Income funds</b>			
Unrestricted funds			
Community	20	2,718,191	2,370,060
Designated	20	4,380,388	4,354,583
		<hr/>	<hr/>
		7,098,579	6,724,643
Restricted funds	20	2,067,966	1,823,783
		<hr/>	<hr/>
		9,166,545	8,548,426
		<hr/>	<hr/>

These financial statements were approved by the Board of Trustees on 25 July 2011 and were signed on its behalf by:

**Michael Murray DL**  
Trustee

**Stephen Norrish MBE**  
Trustee

Company number 2032715

The accompanying notes form part of these accounts.

**Milton Keynes Community Foundation Limited balance sheet**  
 at 31 March 2011

	Notes	2011 £	2010 £
<b>Fixed assets</b>			
Investments	13	4,092,973	3,591,417
Investments in subsidiary undertaking	13	400,000	400,000
		<hr/>	<hr/>
		4,492,973	3,991,417
<b>Current assets</b>			
Debtors	14	965,834	866,465
Cash at bank and in hand		695,700	752,065
		<hr/>	<hr/>
		1,661,534	1,618,530
<b>Creditors:</b> Amount falling due within one year	15	(107,777)	(71,827)
		<hr/>	<hr/>
Net current assets		1,553,757	1,546,703
		<hr/>	<hr/>
<b>Net assets</b>		6,046,730	5,538,120
		<hr/> <hr/>	<hr/> <hr/>
<b>Income funds</b>			
Unrestricted		3,978,764	3,721,572
Restricted		2,067,966	1,816,548
		<hr/>	<hr/>
		6,046,730	5,538,120
		<hr/> <hr/>	<hr/> <hr/>

These financial statements were approved by the Board of Trustees on 25 July 2011 and were signed on its behalf by:

**Michael Murray DL**  
 Trustee

**Stephen Norrish MBE**  
 Trustee

Company number 2032715

The accompanying notes form part of these accounts.

## Notes to the financial statements (forming part of the financial statements)

### 1 Accounting policies

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

#### ***Basis of accounting***

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

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

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

#### ***Voluntary income***

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

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

#### ***Investment income***

Interest and investment income is accounted for on a receivable basis.

#### ***Property company turnover***

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

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

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

## Notes (continued)

### 1 Accounting policies (continued)

#### Resources expended

Expenditure is recognised when a liability is incurred.

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

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

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

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

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

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

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

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

## Notes (continued)

### 1 Accounting policies (continued)

#### *Freehold and leasehold investment properties*

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

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

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

#### *Investments*

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

#### *Fund accounting*

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

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

#### *Taxation*

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

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

Notes (continued)

2 Voluntary income

	Unrestricted Funds	Restricted Funds	Total 2011	Total 2010
	£	£	£	£
Donations received	67,267	351,651	418,918	382,540
Donations in kind	157,354	-	157,354	127,519
Funding from government agencies	-	200,767	200,767	233,800
Grants received for administration costs	42,048	17,027	59,075	48,391
	<hr/>	<hr/>	<hr/>	<hr/>
Total	266,669	569,445	836,114	792,250
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

	Total 2011	Total 2010
	£	£
Membership and other donations:		
- Discretionary rates relief	16,420	17,363
- Website development & support	4,880	13,557
- Computer Network Support	211	-
- Venue costs for team events	200	-
- Office cleaning	1,868	1,805
	<hr/>	<hr/>
	23,579	32,725
Community Car Raffle		
- Site	109,200	72,000
- 1 <sup>st</sup> Prize	12,210	11,775
- Site Marketing	3,750	-
Newspaper advertorial	7,815	11,019
Table at World cup dinner	800	-
	<hr/>	<hr/>
Total	157,354	127,519
	<hr/> <hr/>	<hr/> <hr/>

Notes (continued)

**3 Investment income**

Investment income comprises income from:

	Unrestricted Funds £	Restricted Funds £	Total 2011 £	Total 2010 £
Listed investments	89,726	54,564	144,290	121,683
Bank and Building Society deposits and receivables	5,418	3,964	9,382	12,218
Property company trading subsidiary turnover	351,480	-	351,480	393,421
	<u>446,624</u>	<u>58,528</u>	<u>505,152</u>	<u>517,322</u>

**4 Incoming resources from charitable activities**

Incoming resources from charitable activities comprises income from:

	Total 2011 £	Total 2010 £
Property company rental and service charge income	438,361	364,914
Sales of Community Reserve Sites	109,502	88,964
	<u>547,863</u>	<u>453,878</u>

**Notes** (continued)

**5 Net income from trading activities of subsidiary**

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

A summary of its trading results is shown below.

**Profit and loss account and balance sheet**

	<b>Total 2011 £</b>	<b>Total 2010 £</b>
Turnover	<b>899,343</b>	837,299
Cost of sales	<b>(309,413)</b>	(335,045)
	<hr/>	<hr/>
Gross profit	<b>589,930</b>	502,254
Administration expenses	<b>(275,518)</b>	(275,145)
	<hr/>	<hr/>
Trading profit	<b>314,412</b>	227,109
Net interest	<b>(10,406)</b>	(6,997)
	<hr/>	<hr/>
Net income	<b>304,006</b>	220,112
Tax on profit on ordinary activities	-	-
Amount Gift Aided to Milton Keynes Community Foundation	<b>(300,000)</b>	(222,000)
	<hr/>	<hr/>
Retained in subsidiary	<b>4,006</b>	(1,888)
	<hr/> <hr/>	<hr/> <hr/>
Tangible assets	<b>4,159,521</b>	4,057,167
Net current liabilities	<b>(439,708)</b>	(121,860)
Creditors falling due after more than one year	<b>(200,000)</b>	(525,000)
	<hr/>	<hr/>
Total net assets	<b>3,519,813</b>	3,410,307
	<hr/> <hr/>	<hr/> <hr/>
Called up share capital	<b>400,000</b>	400,000
Investment property revaluation reserve	<b>3,115,023</b>	3,009,523
Profit and loss account	<b>4,790</b>	784
	<hr/>	<hr/>
Total	<b>3,519,813</b>	3,410,307
	<hr/> <hr/>	<hr/> <hr/>

Notes (continued)

**6 Excess of income over expenditure**

The charity has taken advantage of Section 408 of the Companies Act 2006 and has not included its own income and expenditure account in these financial statements. The excess of income over expenditure for the year includes a surplus of £420,725 (2010: £31,011), which is dealt with in the financial statements of the charity.

**7 Allocation of support costs and overheads**

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

	Property company costs £	Staff related costs £	Investment expenses £	Audit fees £	Other direct costs £	Apportioned costs £	Total 2011 £	Total 2010 £
Generating voluntary income	-	72,634	-	-	151,011	17,597	241,242	204,382
Fundraising trading	-	10,563	-	-	1,545	7,867	19,975	15,611
Investment management	222,565	11,155	24,601	-	-	2,239	260,560	307,262
Charitable activities	346,919	113,738	-	-	8,410	38,868	507,935	470,599
Governance	-	55,358	-	11,750	3,927	11,116	82,151	79,376
Other resources expended	3,697	-	-	-	-	-	3,697	5,317
	<b>573,181</b>	<b>263,448</b>	<b>24,601</b>	<b>11,750</b>	<b>164,893</b>	<b>77,687</b>	<b>1,115,560</b>	<b>1,082,547</b>

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

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

## Notes (continued)

### 7 Allocation of support costs and overheads (continued)

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

	Community Fund	Arts Fund	Grassroots Funds	Sport Relief Fund	Themed Funds	Total
	£	£	£	£	£	£
Generating voluntary income	236,654	1,063	2,758	-	767	241,242
Fundraising trading	19,975	-	-	-	-	19,975
Investment management	260,315	163	-	-	82	260,560
Charitable activities	475,139	1,664	14,269	6,625	10,238	507,935
Governance costs	80,933	810	-	-	408	82,151
Other resources expended	-	-	-	-	3,697	3,697
	<b>1,073,016</b>	<b>3,700</b>	<b>17,027</b>	<b>6,625</b>	<b>15,192</b>	<b>1,115,560</b>

### 8 Analysis of charitable expenditure

The Community Foundation undertakes its charitable activities through grant making. In the year ended 31 March 2011 it awarded grants totalling £469,691 (2010: £500,772) to a number of voluntary and community groups and individuals in furtherance of its charitable activities (see Note 21). It also paid £19,486 (2010: £16,344) to groups which supported the Community Car Raffle.

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

	Charitable Activities	Support costs	Total 2011	Total 2010
	£	£	£	£
Grants awarded	489,177	161,016	650,193	665,656
Trading subsidiary costs	346,919	-	346,919	322,059
	<b>836,096</b>	<b>161,016</b>	<b>997,112</b>	<b>987,715</b>

Notes (continued)

9 Analysis of governance costs

	2011	2010
	£	£
Trustee costs	1,870	1,968
Staff related costs	55,358	54,029
Office costs	6,032	6,733
Audit fees	11,750	10,750
Legal fees	-	-
Other costs	7,141	5,896
	<hr/>	<hr/>
	<b>82,151</b>	<b>79,376</b>
	<hr/> <hr/>	<hr/> <hr/>

10 Analysis of staff costs

	2011	2010
	£	£
<b>Salary related costs</b>		
Wages and salaries	335,792	317,925
Social security costs	30,924	29,802
	<hr/>	<hr/>
	<b>366,716</b>	<b>347,727</b>
	<hr/> <hr/>	<hr/> <hr/>

No employee earned more than £60,000 (2010: £60,000).

The average number of employees was 12.6 (2010: 12.6), excluding trustees. No trustee received any remuneration during the year (2010: £Nil), and no trustees received reimbursed expenses during the year (2010: £Nil).

## 11 Analysis of operating costs

	2011 £	2010 £
Auditors' remuneration includes:		
Fees payable to the company's auditor for the audit of the financial statements	-	-
Audit of the financial statements of the charitable company's subsidiary pursuant to legislation	9,000	9,000
Other services relating to taxation	2,750	1,750
	<u>11,750</u>	<u>10,750</u>

The wholly owned trading subsidiary, MK Community Properties Limited, provides the charity with rent-free accommodation. During the financial year ended 31 March 2011 the value of this rent subsidy was £23,285 (2010: £19,060). The subsidiary's trading costs includes a depreciation charge for the year of £11,764 (2010: £14,873).

The Community Foundation has entered into a liability limitation agreement with Grant Thornton UK LLP, the statutory auditor, in respect of the statutory audit for the year ended 31 March 2011. The proportionate liability agreement follows the standard terms in Appendix B to the Financial Reporting Council's June 2008 Guidance on Auditor Liability Agreements, and was approved by the shareholders on 23 September 2010.

Notes (continued)

12 Tangible assets

The Group	Freehold properties £	Leasehold Properties held on long lease > 50 years £	Equipment £	Total £
Cost or valuation				
At 1 April 2010	3,436,000	586,000	268,303	4,290,303
Additions during the year	-	-	8,618	8,618
Disposals	-	-	-	-
Revaluation	194,500	(89,000)	-	105,500
<b>At 31 March 2011</b>	<b>3,630,500</b>	<b>497,000</b>	<b>276,921</b>	<b>4,404,421</b>
Depreciation				
At 1 April 2009	-	-	233,136	233,186
Provided in the year	-	-	11,764	11,764
<b>At 31 March 2010</b>	<b>-</b>	<b>-</b>	<b>244,900</b>	<b>244,900</b>
<b>Net book amount</b>				
<b>At 31 March 2010</b>	<b>3,630,500</b>	<b>497,000</b>	<b>32,021</b>	<b>4,159,521</b>
At 31 March 2009	3,436,000	586,000	35,167	4,057,167

The investment properties were valued at 31 March 2011 by external valuers, Douglas Duff, Chartered Surveyors, on the basis of open market value at existing use in accordance with the appraisal and valuation manual of the Royal Institution of Chartered Surveyors.

The historical cost of the properties is £1,012,477 (2010: £1,012,477). No provision has been made for deferred tax or any potential liability under the clawback arrangements described in Note 17 that would arise if the properties were to be sold at open market existing use value, as the trustees do not foresee any circumstances under which disposals of the relevant properties would be made such as to give rise to either a tax or a clawback liability.

Included in the above described in Note 17 investment properties are premises that are occupied by the charity. The trustees do not consider their value to be material in the context of the overall property portfolio.

Notes (continued)

13 Investments

The Group and Company

Investments are mainly held in a segregated fund managed by Newton Investment Management Limited. At 31 March 2011 no single holding within this part of the portfolio represented more than 5% of the value of the fund (2010: none). During the year, £123,900 of cash from two of the themed endowed funds was placed with Newton Investment Management Limited in order to try and improve the return on these funds. In addition, the Community Foundation has direct equity holdings of 295,000 (2010: 295,000) 5p shares in DRS Data and Research Services PLC with an open market value at 31 March 2011 of £67,850 (2010: £41,241). The direct holding of 715 (2010: 715) 5p shares in Trafficmaster PLC were disposed of during the year as a result of a takeover of the company by a private investor group. During the year a further £218,300 of funds were placed with M & G Charibonds. At 31 March 2011 these funds had an open market value of £559,000 (2010: £352,077), representing 13.6% (2010: 9.8%) of the total investment portfolio.

These investments are analysed as follows:

	2011 Total £	2010 Total £
Equities	2,808,160	2,755,662
Corporate Bonds	278,751	217,632
British Government Bonds	330,932	249,915
Common Investment Funds	559,000	352,077
Cash/Deposits	116,130	16,131
	<hr/>	<hr/>
	<b>4,092,973</b>	3,591,417
	<hr/> <hr/>	<hr/> <hr/>

All investments are quoted investments.

	2011 Total £	2010 Total £
Valuation at 1 April	3,591,417	2,489,898
Disposals	(986,614)	(748,802)
Additions	1,260,397	1,074,857
Increase/ (decrease) in market value during the year	227,773	775,464
	<hr/>	<hr/>
<b>Valuation at 31 March</b>	<b>4,092,973</b>	3,591,417
	<hr/> <hr/>	<hr/> <hr/>

The historical cost of investments held at 31 March 2011 was £2,889,937 (2010: £2,960,751).

Notes (continued)

13 Investments (continued)

The Company

Investment in subsidiary undertaking

	£
Cost at 1 April 2010 and 31 March 2011	400,000
	<u>          </u>

The company owns 100% of the ordinary share capital, comprising 400,000 £1 ordinary shares in MK Community Properties Limited, which is registered in England and Wales and was incorporated on 2 October 1991. It traded throughout the year to 31 March 2011 as a property ownership and management company.

14 Debtors

	<i>Group</i>		<i>Milton Keynes Community Foundation</i>	
	2011 £	2010 £	2011 £	2010 £
Trade debtors	55,172	58,628	-	-
Accrued income	222,959	174,784	-	-
Other debtors and prepayments	73,062	37,772	22,214	30,551
Social security and other taxes	5,530	3,919	5,530	3,919
Due from subsidiary company	-	-	938,090	831,995
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	<b>356,723</b>	275,103	<b>965,834</b>	866,465
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

Included in group accrued income is £179,445 (2010: £61,129) relating to sales proceeds of Community Reserve Sites which are due in more than one year. Included in the amount due from subsidiary company are two loans totalling £525,000 (2010: £525,000). Loan 1 is for £325,000, is unsecured, bears interest at 1.5% above base rate and is repayable on 1 February 2012. Subsequent to the year end the Board of Trustees of the Foundation has agreed to extend the period of this loan by a further 24 months making it repayable on 1 February 2014. The interest rate on this extended term is xxx% above bank base rate. Loan 2 is for £200,000, is unsecured and repayable on 3 November 2016. Interest is charged on this second loan is at 1.5% above base rate.

15 Creditors: amounts falling due within one year

	<i>Group</i>		<i>Milton Keynes Community Foundation</i>	
	2011 £	2010 £	2011 £	2010 £
Trade creditors	30,939	12,403	-	-
Social Security and other taxes	24,500	8,076	8,037	-
Other creditors	26,905	19,471	-	-
Deferred income	76,167	45,995	1,700	-
Accruals	124,004	67,677	12,101	12,504
Grants payable (see note 21)	85,939	59,323	85,939	59,323
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	<b>368,454</b>	212,945	<b>107,777</b>	71,827
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

## Notes (continued)

### 16 Capital commitments

There were no capital commitments at 31 March 2011 (2010: *£nil*).

### 17 Contingent liabilities

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

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

### 18 Related party transactions

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

Furthermore, as mentioned previously in this report, the Community Foundation is also able to support the not-for-profit sector in Milton Keynes through the provision of properties from its subsidiary company, MK Community Properties Ltd, that are let on preferential terms. The amount of this subsidy, the difference between the full commercial rental and the subsidised rent paid by the not-for-profit sector tenants, is in excess of £538,000 per annum for the year to 31 March 2011 (2010: *£550,000*). Two trustees worked for organisations that currently receive subsidised accommodation, namely:

Mr S Norrish MBE, Milton Keynes Christian Foundation Ltd  
Mrs R Stone, Milton Keynes Council of Voluntary Organisations

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

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

Notes (continued)

18 Related Party Transactions (continued)

Set out below is a summary of the amounts that were charged to related parties during the financial year and the amounts that remain outstanding as at 31 March 2011.

Related party transactions	Mr R Horsley	Milton Keynes Christian Foundation Ltd	Milton Keynes Council of Voluntary Organisations
	£	£	£
Rent	2,000	22,414	18,655
Service charge/insurance	995	5,725	14,825
Meeting rooms etc	-	-	1,621
	<hr/>	<hr/>	<hr/>
Total charges during the financial year	2,995	28,139	35,101
	<hr/>	<hr/>	<hr/>
Balance due from (to) tenant at 31 March 2011	(880)	-	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

During the financial year, MK Community Properties Limited purchased catering services from Milton Keynes Christian Foundation Ltd amounting to £23,157 (2010: £21,056). These purchases were made at arm's length. At 31 March 2011 the balance due to Milton Keynes Christian Foundation Ltd was £4,056 (2010: £1,987).

During the financial year the Community Foundation has continued to act as agents for The Powell Foundation in administering its direct grants and for these administration services the Community Foundation received £4,927 (2010: £5,155). In addition, the Community Foundation received a grant of £65,000 (2010: £67,500) from The Powell Foundation for it to make grants from the Margaret Powell (Grants) Fund to groups that met The Powell Foundation's criteria. The Community Foundation received a grant of £15,300 (2010: £15,300) from The Powell Foundation towards the costs it incurs in administering these grants.

19 Indemnity insurance

The group has purchased insurance for the trustees and staff of the charity and the directors of the subsidiary company, MK Community Properties Ltd, against liability arising for wrongful acts in relation to the charity and its wholly owned subsidiary. The cost of this insurance amounts to £1,871 (2010: £1,694).

## Notes (continued)

### 20 Accumulated funds

Milton Keynes Community Foundation maintains a number of separate funds, the movement on which is detailed in note 20.38 below and the net assets of which are analysed in note 20.39 below. Monies held in funds can be either flow-through (monies donated in one year are spent in the next along with any investment income earned) or endowment (monies are held in the fund until the fund reaches an agreed level at which time the annual income on the fund balance is spent). Details of the funds are as follows:

#### Unrestricted fund

##### 20.1 Community Fund £2,718,191

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

##### 20.2 Property Fund £4,380,388

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

##### 20.3 Development Grants £nil

This fund represents those commitments not accrued as expenditure relating to those grants that the trustees have authorised but are subject to the recipient fulfilling certain conditions.

#### Restricted funds

##### 20.4 Arts Fund £603,544

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

##### 20.5 Sport Relief £616

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

##### 20.6 Margaret Powell (Grants) Fund £89,375

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

Notes (continued)

20 Accumulated funds (continued)

Restricted funds (continued)

20.7 MK DASS Fund £193,931

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

20.8 MK Citizen £13,044

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

20.9 Heart 103.3 Fund £21,828

This fund supports projects for local families and young people as well as musical activities. In accordance with Heart's wishes, the entire fund will be released for grant making over 2011-2012.

20.10 Baker Tilly Fund £18,337

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

20.11 Women's Fund £21,274

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

20.12 PricewaterhouseCoopers £3,800

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

20.13 thecentre:mk £4,872

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

20.14 MK Partnership £nil

This fund has been set up to receive restricted flow-through monies from MK Partnership to support projects that help community development. Investment returns are allocated to the Community Fund. No further monies have been received during 2010/11.

## Notes (continued)

### 20 Accumulated funds (continued)

#### Restricted funds (continued)

##### 20.15 Niftylift Fund £26,082

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

##### 20.16 Vice Versa – The Cultural Citizenship Fund £6,626

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

##### 20.17 emw law Fund £1,019

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

##### 20.18 Acorn Funds £151,680

A number of donors have set up their own Acorn Funds. Funds exceeding £25,000 will support projects that meet the Community Foundation's grant criteria.

##### 20.19 Home Retail Group Fund £18,324

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

##### 20.20 Allianz Community Fund £nil

This flow-through fund was set up by Allianz to support a range of projects under their 'local communities making a difference' initiative.

##### 20.21 Edward Hurley Memorial Fund £192,107

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

##### 20.22 Capacity Builders Fund £3,537

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

##### 20.23 Grassroots Small Grants Fund £5

This is a nationwide Government initiative to improve local communities through supporting the local voluntary and community sector. This scheme terminated at 31 March 2011 and the unspent funds will be returned to the Government.

##### 20.24 Grassroots Endowment Fund £609,216

As part of the same initiative, Government have created a fund whereby all new endowment donations will be matched £1 for £1 until March 2011. All monies raised are to be used for grassroots voluntary and community projects.

##### 20.25 Thorogood Music Fund £904

The aim of this fund is to support local musicians in their musical education and development.

## Notes (continued)

### 20 Accumulated funds (continued)

#### Restricted funds (continued)

20.26 *Employers Network on Disability £2,000*

The aim of this fund is to support initiatives which help people with disabilities find work.

20.27 *Thames Valley Police £2250*

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

20.28 *NHS Fund £23,542*

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

20.29 *Survive and Thrive £18,484*

This is a flow through fund for voluntary and community sector organisations affected by the recession.

20.30 *Adams Family Fund £nil*

This is a flow through fund supporting local artists who work in traditional arts and crafts fields.

20.31 *Shoosmiths fund £1,427*

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

20.32 *Elizabeth Howe Fund £2,850*

This is a flow through fund supporting local community music initiatives.

20.33 *25<sup>th</sup> Birthday Fund £28,219*

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

20.34 *Winter Fuel Fund £2,132*

This fund was set up in December 2010. It began as a fund for pensioners who would like to donate their winter fuel allowance to others with a more pressing need, however, it is open to any donor to add to the fund. Funds are distributed with the help of Age UK to needy elderly people in the Milton Keynes area.

20.35 *Koss Family Fund £641*

This is a flow through fund supporting causes that benefit the communities in Milton Keynes.

20.36 *NHBC Fund £6,300*

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

20.37 *Other restricted funds £nil*

None of the other restricted funds are of significant size and accordingly have not been separately disclosed.

Notes (continued)

\*20 Accumulated funds (continued)

20.38 Accumulated funds - Analysis of group income and expenditure

	Balance at 01/04/10	Incoming Resources	Transfers	Revaluation of Investment Assets	Resources Expended	Balance at 31/03/11
	£	£	£	£	£	£
<b>Unrestricted funds</b>						
Community	2,370,060	1,294,062	51,830	155,382	(1,153,143)	2,718,191
Designated – Property	4,268,083	6,805	-	105,500	-	4,380,388
Designated – Development Grants	86,500	-	(51,830)	-	(34,670)	-
<b>Total unrestricted funds</b>	<b>6,724,643</b>	<b>1,300,867</b>	<b>-</b>	<b>260,882</b>	<b>(1,187,813)</b>	<b>7,098,579</b>
<b>Restricted funds</b>						
Arts	566,280	28,530	-	30,666	(21,932)	603,544
Sport Relief	616	91,625	-	-	(91,625)	616
Margaret Powell (Grants)	73,122	65,610	-	-	(49,357)	89,375
MK DASS	194,003	4,764	-	6,327	(11,163)	193,931
MK Citizen	13,072	70	-	-	(98)	13,044
Heart 103.3	31,268	162	-	-	(9,602)	21,828
Baker Tilly	24,171	2,889	-	-	(8,723)	18,337
Women's	21,120	666	-	-	(512)	21,274
PricewaterhouseCoopers	4,571	4,000	-	-	(4,771)	3,800
thecentre:mk	5,363	5,128	-	-	(5,619)	4,872
MK Partnership	10,242	-	-	-	(10,242)	-
NiftyLift	23,049	5,139	-	-	(2,106)	26,082
Visa Versa - The Cultural Citizenship Fund	11,722	1,041	-	-	(6,137)	6,626
emw law	519	500	-	-	-	1,019
Acorn Funds	165,366	7,451	(150)	7,518	(28,505)	151,680
Home Retail Group Fund	17,771	-	-	-	553	18,324
Allianz Community Fund	171	-	-	-	(171)	-
Edward Hurley Memorial Fund	203,319	1,055	-	-	(12,267)	192,107
Capacity Builders Fund	7,234	-	-	-	(3,697)	3,537
Grassroots Small Grants Fund	(1,220)	108,940	-	-	(107,715)	5
Grassroots Endowment Fund	378,935	244,416	-	(11,377)	(2,758)	609,216
Thorogood Music Fund	481	1,923	150	-	(1,650)	904
Employers Network on Disability	2,000	-	-	-	-	2,000
Thames Valley Police	5,000	-	-	-	(2,750)	2,250
NHS Fund	27,811	-	-	-	(4,269)	23,542
Survive and Thrive Fund	37,093	-	-	-	(18,609)	18,484
Adams Family	-	2,564	-	-	(2,564)	-
Shoosmiths Fund	-	1,867	-	-	(440)	1,427
Elizabeth Howe Fund	-	10,000	-	-	(7,150)	2,850
25 <sup>th</sup> Birthday Fund	-	28,219	-	-	-	28,219
Winter Fuel	-	2,132	-	-	-	2,132
Koss Family Fund	-	641	-	-	-	641
NHBC	-	6,300	-	-	-	6,300
Other	704	2,341	-	-	(3,045)	-
<b>Total restricted funds</b>	<b>1,823,783</b>	<b>627,973</b>	<b>-</b>	<b>33,134</b>	<b>(416,924)</b>	<b>2,067,966</b>
<b>Total funds</b>	<b>8,548,426</b>	<b>1,928,840</b>	<b>-</b>	<b>294,016</b>	<b>(1,604,737)</b>	<b>9,166,545</b>

Notes (continued)

20 Accumulated funds (continued)

20.39 Accumulated funds - Analysis of group net assets at 31 March 2011

	Fixed Assets	Investments	Net Current Assets	Total
	£	£	£	£
<b>Unrestricted funds</b>				
Community	32,021	2,682,453	3,717	2,718,191
Designated – Property	4,127,500	-	252,888	4,380,388
Designated – Development Grants	-	-	-	-
<b>Total unrestricted funds</b>	<b>4,159,521</b>	<b>2,682,453</b>	<b>256,605</b>	<b>7,098,579</b>
<b>Restricted funds</b>				
Arts	-	596,946	6,598	603,544
Sport Relief	-	-	616	616
Margaret Powell (Grants)	-	-	89,375	89,375
MK DASS	-	123,155	70,776	193,931
MK Citizen	-	-	13,044	13,044
Heart 103.3	-	-	21,828	21,828
Baker Tilly	-	-	18,337	18,337
Women's	-	-	21,274	21,274
PricewaterhouseCoopers	-	-	3,800	3,800
thecentre:mk	-	-	4,872	4,872
MK Partnership	-	-	-	-
NiftyLift	-	-	26,082	26,082
Visa Versa - The Cultural Citizenship Fund	-	-	6,626	6,626
emw law	-	-	1,019	1,019
Acorn Funds	-	131,419	20,261	151,680
Home Retail Group Fund	-	-	18,324	18,324
Allianz Community Fund	-	-	-	-
Edward Hurley Memorial Fund	-	-	192,107	192,107
Capacity Builders Fund	-	-	3,537	3,537
Grassroots Small Grants Fund	-	-	5	5
Grassroots Endowment Fund	-	559,000	50,216	609,216
Thorogood Music Fund	-	-	904	904
Employers Network on Disability	-	-	2,000	2,000
Thames Valley Police	-	-	2,250	2,250
NHS Fund	-	-	23,542	23,542
Survive and Thrive Fund	-	-	18,484	18,484
Adams Family Fund	-	-	-	-
Shoosmiths Fund	-	-	1,427	1,427
Elizabeth Howe Fund	-	-	2,850	2,850
25 <sup>th</sup> Birthday Fund	-	-	28,219	28,219
Winter Fuel	-	-	2,132	2,132
Koss Family Fund	-	-	641	641
NHBC Fund	-	-	6,300	6,300
Other	-	-	-	-
<b>Total restricted funds</b>	<b>-</b>	<b>1,410,520</b>	<b>657,446</b>	<b>2,067,966</b>
<b>Total funds</b>	<b>4,159,521</b>	<b>4,092,973</b>	<b>914,051</b>	<b>9,166,545</b>

Notes (continued)

20 Accumulated funds (continued)

20.40 Accumulated funds - Analysis of group net assets at 31 March 2011 (continued)

The community fund includes reserves of the subsidiary company

	Investment property revaluation reserve £	Profit and loss account £
At 1 April 2010	3,009,523	784
Retained result in year	-	4,006
Decrease on revaluation of investment properties	105,500	-
	<hr/>	<hr/>
At 31 March 2011	3,115,023	4,790
	<hr/> <hr/>	<hr/> <hr/>

Notes (continued)

21 Grants made

Analysis of grants made	Unrestricted Funds	Restricted Funds	Grassroots Small Grants	Total 2011
	£	£	£	£
Voluntary groups and charities	95,311	267,934	93,446	456,691
Individuals	-	13,000	-	13,000
<b>Total</b>	<b>95,311</b>	<b>280,934</b>	<b>93,446</b>	<b>469,691</b>

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

Reconciliation of grants payable	2011 £	2010 £
Total grants to Voluntary Groups and Charities	430,075	469,751
Total grants to Individuals	13,000	16,409
<b>Total grants paid</b>	<b>443,075</b>	<b>486,160</b>
Commitments at 1 April	59,323	44,711
Commitments made in the year	506,448	506,332
Grants cancelled or recovered	(36,757)	(5,560)
<b>Grants payable for the year</b>	<b>469,691</b>	<b>500,772</b>
<b>Grants paid during the year</b>	<b>(443,075)</b>	<b>(486,160)</b>
<b>Commitments at 31 March</b>	<b>85,939</b>	<b>59,323</b>
<b>Commitments at 31 March are payable as follows</b>		
Within one year (see note 15)	85,939	59,323

**Notes** *(continued)*

**21 Grants made** *(continued)*

**Commitments**

In addition to the amounts committed and accrued above, the Trustees have also authorised Development grants that are subject to the recipient fulfilling certain conditions. Development grants are intended for established groups looking at the next stage of their development and are awarded to innovative projects for a maximum of 3 years duration.

The total development grant is identified at the time of the original application. However, only initial payments are guaranteed at the time the grant is awarded and any future payments are dependent on satisfactory monitoring reports being provided by the group.

As at 31 March 2011, future spend on Development grants which have been awarded but not accrued for as expenditure in these financial statements was as follows:

	2011 £		2010 £
Commitments at 1 April	<b>86,500</b>		219,566
Commitments made in the year	-	-	
Commitments released during the year	<b>(51,830)</b>	-	
	<hr/>	<hr/>	
Commitments during the year	<b>(51,830)</b>		-
Charges to Statement of Financial Activities	<b>(34,670)</b>		(133,066)
	<hr/>		<hr/>
Commitments at 31 March	-		86,500
	<hr/> <hr/>		<hr/> <hr/>
<b>Commitments at 31 March are payable as follows</b>			
Within one year	-		86,500
Over one year	-		-
	<hr/>		<hr/>
	-		86,500
	<hr/> <hr/>		<hr/> <hr/>