

Milton Keynes Community Foundation Limited  
*(a company limited by guarantee)*  
*Trustees' annual report and financial statements of the Group*  
*31 March 2021*

**Registered number: 2032715**  
**Charity number: 295107**



Milton Keynes Community Foundation Limited  
*(a company limited by guarantee)*

Trustees' annual report and financial statements of the Group

31 March 2021

Registered company number 2032715 (England and Wales)  
Registered charity number 295107

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

---

<b>Contents</b>	<b>Page</b>
<b>Trustees' Annual Report</b>	<b>1</b>
<b>Statement of Trustees' Responsibilities</b>	<b>15</b>
<b>Independent Auditor's Report to the Members of Milton Keynes Community Foundation Limited</b>	<b>16</b>
<b>Group Statement of Financial Activities</b>	<b>20</b>
<b>Group Balance Sheet</b>	<b>21</b>
<b>Milton Keynes Community Foundation Limited Balance Sheet</b>	<b>23</b>
<b>Group Statement of Cash Flows</b>	<b>25</b>
<b>Notes to the Financial Statements</b>	<b>26</b>

## Trustees' Annual Report Reference and administrative information

Charity Registration Number: 295107

Company Registration Number: 2032715

Principal Office: Acorn House  
381 Midsummer Boulevard  
Central Milton Keynes  
MK9 3HP

Website: [www.mkcommunityfoundation.co.uk](http://www.mkcommunityfoundation.co.uk)

Bankers

Bank of Scotland  
33 Old Broad Street  
London  
EC2N 1HZ

HSBC  
19 Midsummer Place  
Milton Keynes  
MK9 3GB

Handelsbanken  
201 Silbury Boulevard  
Milton Keynes  
MK9 1LZ

Close Brothers  
10 Crown Place  
London  
EC2A 4FT

Investment Managers

CCLA  
Senator House  
85 Queen Victoria  
Street  
London  
EC4V 4ET

Auditor

Hillier Hopkins LLP  
249 Silbury Boulevard,  
Milton Keynes  
MK9 1NA

Property Manager

Hornbeam Limited  
13 Furzton Lake  
Shirwell Crescent  
Furzton  
Milton Keynes  
MK4 1GA

Solicitors

EMW  
Seebeck House  
1 Seebeck Place  
Milton Keynes  
MK5 8FR

### Directors and Trustees

The directors of the charitable company (the Community Foundation) are its Trustees for the purposes of charity law and throughout this report are collectively referred to as the Trustees. Letters designating membership of a committee are: Audit Committee (A), Emergency Grants Panel (EG), Grants Panel (G), Philanthropy & Grants Committee (PG), Property Committee (P) Resources Committee (R), and Remuneration Committee (Re). More information regarding Committees is shown on page 3 and further details of the Trustees can be found on our website <https://www.mkcommunityfoundation.co.uk/meet-team/>

<b>Devdeep Ahuja</b>	(19.11.2020) - PG	<b>Precious Lwanga</b>	(19.11.2020) P
<b>Carole Baume</b>	Vice Chair of Board, Chair of Remuneration Committee EG, P	<b>Kurshida Mirza</b>	Chair of Board (from 17.09.2020), A, EG, P, R, PG
<b>Kate Chadwick</b>	Chair of Grants Panel, EG, PG, Re	<b>Paul Nolan</b>	- R
<b>Steve Harris</b>	Chair of Property - R (until 23.04.21 - resigned)	<b>Sean O'Reilly</b>	- R
<b>Jill Heaton</b>	A, EG, P, G	<b>Lawrence Revill</b>	Chair of Board (to 17.09.2020) P, Chair of Resources, A
<b>Shirley Jones</b>	G, P	<b>Christopher Shaw</b>	Chair of Property (from 23.04.21), R
<b>Liz Henderson</b>	PG (until 23.02.2021 – resigned)	<b>Jason Sinclair</b>	(19.11.2020) PG
<b>Shaun Lee</b>	Chair of Philanthropy & Grants – EG, R, G		

### Senior Executive

**Ian Revell**  
**Sarah Wilson**  
**Vanessa Bradley**  
**June Oldroyd**  
**Ranjit Singh**

Chief Executive  
Director of Finance  
Director of Operations  
Director of Philanthropy: (Appointed 01.04.20)  
Director of Philanthropy: (Appointed 01.04.20)

## Trustees' Annual Report (continued)

---

The Trustees have pleasure in presenting their annual report and audited consolidated financial statements for the year ended 31 March 2021, which are also prepared to meet the requirements for a directors' and strategic report and accounts for Companies Act purposes.

The financial statements comprise the group accounts of Milton Keynes Community Foundation (the "Foundation") and its wholly owned subsidiary, MK Community Properties Limited. These statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Memorandum and Articles of Association, the requirements of the Companies Act 2006, Charities Act 2011 and the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" applicable to charities preparing their accounts in accordance with (FRS 102).

The accounts on pages 20 to 63 incorporate all the various funds within the Community Foundation. An analysis of the group income and expenditure between the various funds is provided in note 23.

## STRATEGIC REPORT

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

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

### Our Strategic Plan States:

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

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

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

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

**Trustees' Annual Report (continued)**  
**STRATEGIC REPORT (continued)**

---

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

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

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

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

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

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

Both delivery plans associated with these strategies focus on active management by our Philanthropy & Grant Committee and our Property Committee.

**Current Committees**

**Resources**

The Resources Committee met four times during the year and has six Trustee members.

The aim of this committee is to oversee the stewardship of the Community Foundation's tangible assets, investments, people and the monitoring of the organisation's income and costs.:

- Attendance of this committee during the year was 79%

**Philanthropy & Grants**

The Philanthropy and Grants Committee met four times during the year and has five Trustee members and two external members. The purpose of the committee is to advise, oversee and monitor the Community Foundation's philanthropy & grants activity and strategy

- Attendance of this Committee during the year was 78%.

**Trustees' Annual Report (continued)**  
**STRATEGIC REPORT (continued)**

---

**Emergency Grants Panel**

The Emergency Grants Panel met fifty times during the year and has five Trustee members assisted by Community Representatives. The purpose of this panel is to review applications for the Foundation's Emergency and Recovery grant programme established in response to the pandemic.

- Attendance of this Committee during the year was 80%.

**Community Grants Panel**

The Grants Panel met four times during the year and has four Trustee members assisted by 13 Community Representatives. The purpose of this panel is to review applications for grants, provide information and prioritise applications, and to review Grants policy and process in line with the changing needs of the voluntary sector making any appropriate recommendation to the Philanthropy & Grants committee of any improvements.

- Attendance of this Committee during the year was 94%.

**Property Committee**

The Property Committee met four times during the year and has seven Trustee members assisted by our Property Asset Consultants. The purpose of the Committee is to oversee the implementation of the Foundation's Property Strategy covering our Estate, Community Land and performance of the organisation's property related social enterprise activities.

- Attendance of this Committee during the year was 100%.

**Remuneration**

The Remuneration Committee did not meet in the year and has two Trustee members (one of which is the Vice Chair of Trustees). The purpose of the Committee is to oversee the Remuneration Policy and set the salary structure for the Chief Executive and Executive Team, to consider and recommend the policy for the remuneration (including benefits, pension arrangements and termination payments) of the Executives of the Charity.

- Attendance of this Committee during the year was 0%.

**Audit**

The Audit Committee was established in the year and met once. The committee consists of four members, which includes the Chair of Resources, one Trustee and two independent external members. The purpose of the Committee will be to oversee the preparation and review of the external audit process.

- Attendance of this Committee during the year was 100%.

**Achievements and Performance**

2020/21 covers the third year of our Strategic Plan. It was a year dominated by the Covid 19 Pandemic and a time when the Foundation amended its grant giving programmes and philanthropy activities to respond to the emergency as it unfolded. Many of our buildings were closed to users for large periods of the year with limited use of our facilities as required by government emergency measures.

In response to the Covid Emergency the Foundation launched an Emergency Fund, which raised £1,243,561 receiving 646 donations, and through working with UKCF were able to access national funding totalling £437,000 from the National Emergency Trust.

**Trustees' Annual Report (continued)**  
**STRATEGIC REPORT (continued)**

---

The Foundation instigated emergency procedures to enable a fast turn-round for funding applications moving to weekly funding panels and being able to process applications in 5 working days, through simplifying the application process, ensuring efficient on-line processes, completing background due diligence reviews ahead of determination of applications and by setting up rolling grants panels so that several could meet each week. We moved all payments on-line and established on-line payment approval process to ensure oversight whilst enabling efficient working.

The Foundation moved the whole team to home-working immediately and is happy to report no Covid sickness in the team, which meant the team was able to work at full capacity throughout.

With the closure of our CMK buildings due to government restrictions the Foundation furloughed its conferencing and reception teams for large parts of the year, however the philanthropy and support teams were at full capacity throughout.

Whilst the Foundation maintained its normal grant programme, much focus was on how to support the Voluntary, community and cultural sector given the impact of the pandemic and, for the later part of the year, supporting the sector's recovery. Our regular grant funding programmes were below target as many of the sector organisations put staff on the Governments furlough scheme and switched their grant application focus to the Emergency funding and Recovery funding as a result.

As part of our normal philanthropy activities the Foundation was able to attract 1 new corporate fund and 12 flow-through funds. Therefore, we now have 50 Endowment Funds, which are invested with CCLA and 44 flow-through funds which are spent within a specified time frame.

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

In October 2020 we published our shortened edition of the annual Vital Signs report. This year, we reported on four areas:

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

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

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

**Trustees' Annual Report (continued)**  
**STRATEGIC REPORT (continued)**

---

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

To address the challenges, the Foundation offers a number of different types of grants to support our communities to deliver community impacts:

**Small Grants** for sums up to £ 3,000 and **Community Grants** for sums up to £10,000. In exceptional circumstances the Community Foundation may award larger grants for significant projects dependent on needs and priorities.

**Transformation Grants** for one off strategic funding. These grants are designed to offer significant strategic support to local organisations working with New Communities or with older people and people with disabilities.

**Large Strategic Grants**, grants of over £20,000 for multi-year strategic projects for a maximum of 3 years. Funding for this programme comes from the Foundation's Margaret Powell Foundation Fund and additional funding from The National Lottery Community Fund of £300,000.

Due to their wider aims, it is often the case that large strategic projects do not fall within the constraint of 12 months for implementation. This multi-year programme allows the Foundation to support local groups or charities across a number of years helping them to focus on capacity building, sustainability, and addressing emergent strategic needs.

Total support provided by the Community Foundation to the Voluntary and Community sector during the financial year ended 31 March 2021 totalled £3,473,831 (2019-20: £2,004,816).

**Grant Making**

The amount of £2,245,120 (2019-20: £1,148,218) was awarded in grants by the Community Foundation during the year. The level of grant making achieved during the year means that the Foundation has now awarded in excess of £15,000,000 in grants since 1986 along with Rent subsidies estimated to be circa £18,000,000 in the same time period.

Applications for grants are made online with full details of how to apply on our website. All applicants are encouraged to speak to a member of the Philanthropy team so they may be supported in their application.

The Foundation is able to accept grant applications from constituted, not-for-profit organisations that support beneficiaries from Milton Keynes, including, but not limited to, the following:

- Local community groups
- Voluntary Sector Organisations
- Registered Charities
- Charitable Incorporated Organisations
- Social Enterprises
- Sports Clubs
- Faith groups
- Community Interest Companies (restrictions apply)



**Trustees' Annual Report (continued)**  
**STRATEGIC REPORT (continued)**

---

The Community Foundation does not accept applications from the following:

- Individuals (outside of our bursary programmes)
- For-profit organisations
- Political parties or affiliated groups

All applications are assessed and scored by assessors and panels against the following criteria:

- Need and Demand
- Reach and Impact
- Sustainability
- Innovation
- Diversity and inclusion

**Grants awarded last year:**

87 Small Grants  
20 Community Grants  
9 Transformation Grants  
2 Large Strategic Grants  
2 Partnership Grants  
9 Sport Bursaries  
2 Anglian Water Positive differences grants  
178 Emergency Response Grants  
5 MK Food Support Grants

Our benefit to the Community was in excess of **£3.4million**:

- £1,734,227 in grants
- £84,353 BLC
- £426,357 Local Giving
- £1,227,000 property subsidies

During the year to 31 March 2021 this level of grant making provided **314** grants to **198** local organisations in order to support community projects that covered a wide range of initiatives in Milton Keynes, and 9 bursaries to individuals.

**Estate & property portfolio management**

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

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

Our Brooklands development is awaiting the outcome of a planning application. Once agreed the Foundation will build a new gymnastic and table tennis centre in partnership with a social housing organisation who will deliver affordable housing and small community office facility in the Eastern expansion area alongside the scheme.

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

Trustees' Annual Report (continued)  
**STRATEGIC REPORT (continued)**

---

## Financial Review

During the financial year ended 31 March 2021 the Community Foundation generated a net group deficit before investment gains and losses of £27,400 (2020 deficit of: £3,109).

The total value of the Community Foundation's endowment assets has decreased to £59,335,722 (2020: £68,079,498). This level of endowment funds continues to ensure sustainability and enables the Community Foundation to continue to support the growing local community in as many ways as possible.

Our subsidiary company, MK Community Properties Limited, performed poorly this year as the conferencing facilities were closed for the majority of the year due to the Pandemic. All steps were taken to minimise this loss, and a new business plan was developed from November 2020. This plan was put on hold due to the second lockdown in January 2021, but similar outcomes are still anticipated, albeit deferred for 3-6 months. This sees the organisation return to a surplus in 2022/23. The result for the year was an operating deficit of over £220k.

### Income

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

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

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

The income received by the Community Foundation in the year ended 31 March 2021 totalled £4,358,402 (2020: £3,747,078).

### Expenditure

Out of the 399 applications received by the Community Foundation; 314 grants were awarded (2020: 146 grants awarded) totalling £2,245,120. Of these awards, £533,312 remained unpaid at the year-end (2020: £336,104). £426,357 (2020: £272,617) was distributed to local groups through the Local Giving Project and £84,535 (2020: £76,934) was given out in funds to Big Local Coniburrow from their Local Trust Grant, which the Foundation administers.

The Group's total operating costs continue to be closely monitored, and for the year ended 31 March 2021 amounted to £4,385,802 (2020: £3,750,187). In common with other charitable organisations, changes in priorities year-on-year result in changes in cost allocations across the categories of expenditure.

### Investments

The group's investments were valued at the year-end at £18,660,805 (2020: £15,253,352). All of these investments were held by CCLA in their Charities Ethical Common Investment Fund. CCLA investment objective over the long term is to achieve an average annual total return of inflation plus 5%.

The year in review was exceptional for a number of reasons. At the end of March 2020, the portfolio suffered a drop in value as a result of the uncertainty around the pandemic. Although the pandemic is not over, the initial drop was rectified within the first six months of the year and the latter six months of the year saw significant growth, reporting over £3m of investment gains in the year to 31 March 2021.

Trustees' Annual Report (*continued*)  
**STRATEGIC REPORT** (*continued*)

---

**Financial Review** (*continued*)

The Community Foundation's investment policy was reviewed during the year but remains broadly unchanged. This provides guidance on the Community Foundation's aim in investing its funds, including:

- its position on risk;
- an indication of the Community Foundation's asset allocation strategy;
- the benchmarks and targets by which the performance of the manager will be judged;
- the Community Foundation's stance on ethical investment;
- the balance between capital growth and income generation which is sought by the Community Foundation; and
- the scope of the investment powers.

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

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

**Freehold and Leasehold properties**

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

The freehold and leasehold properties were valued in the year by external valuers Kirkby Diamond, in accordance with the Royal Institution of Chartered Surveyors Valuation – Global Standards (The Red Book), on the basis of Market Value. Whilst the Trustees are of the opinion that there has been no material movement in value of these properties between that date and 31 March 2021, they believe that valuation of the properties should be at Existing Use valuation to more appropriately reflect the Community Foundation's policy of allowing Voluntary and Community Sector groups to apply for a rent subsidy of up to 75%. If this Existing Use valuation were to be used, our Land and Buildings would be valued at £40,516,666 (2020: £43,836,000) a decrease of £3,319,334.

**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. Currently, such funds stand at £2,123,596 (2020: £2,757,474). In March 2012 the Foundation was successful in securing funds from the Office for Civil Society for the Community First Endowment Match Challenge. Since then, growth in the market means that the Community First Endowment is £13,849,419 at 31 March 2021. At 31 March 2021 the amount of unrestricted funds was £41,418,611 (2020: £53,169,910) and the value of restricted funds was £17,717,111 (2020: £14,909,588).

**Trustees' Annual Report (continued)**  
**STRATEGIC REPORT (continued)**

---

**Financial Review (continued)**

Within the unrestricted funds, and separate from the Community Fund, the Trustees have designated a Property Fund equal in value to the properties held by the group, less mortgages incurred to purchase properties, together with a reserve towards the cost of future property repairs and refurbishments. It is the intention of the Trustees that this fund will be maintained over a 10 year period at levels that will be sufficient to finance the repairs and refurbishment of the property portfolio required in order to ensure that the property portfolio remains in a 'fit for purpose' state.

The Trustees are satisfied that the charity's assets attributable to each of its Funds are available and adequate to fulfil its obligations in relation to those funds.

The Covid 19 pandemic has had a significant impact on the Foundation. Whilst it has been able to secure significant emergency funding, this is being paid out to support the VCCS community of Milton Keynes. At this stage the Foundation does not feel that its predicted funding levels will decline significantly during 2021/22. However the organisation continues to take steps to reduce costs wherever possible.

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

In spite of the current pandemic, the Trustees are confident that the Community Foundation is able to continue to meet its liabilities as they fall due for the foreseeable future and that the accounts should be prepared on the going concern basis.

**Risk Management**

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

The Risk Mitigation Plan, which focused on actions required to reduce risks affecting the organisation. The 2021 review of this plan identified 35 risks (2020: 31). The key risks were:

- Economic impact of the Pandemic, especially related to the Estates and Conferencing
- Global recession affecting investment income and philanthropy
- Decreasing capital values or reduced rental income
- Covid outbreak in CMK buildings

In response to these Risks, the Foundation developed detailed mitigation plans for the management of its building and estate and put in place a Covid Trustee/Executive Task and Finish Group to ensure oversight and quick decision-making. The Foundation instigated a cost reduction exercise and weekly/monthly management data oversight to ensure controls were maintained. The Foundation immediately moved to homeworking which was supported by the installation of our new ITC systems, gigabyte connection and switch to cloud computing in the previous financial year.

**Trustees' Annual Report (continued)**  
**STRATEGIC REPORT (continued)**

---

**Plans for Future Periods**

**Philanthropy**

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

Key focuses in philanthropy delivery plan include:

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

As the Foundation plans for the year ahead, it knows the needs of the sector and its communities demonstrated through the Emergency and Recovery funding programmes will continue to change. In particular the pandemic impact to the sector is not yet fully known, however the Foundation continues to conduct on-going surveys of the sector and supports the development of the Inter-cultural forum and the MK BAME Business Network so that the Foundation can continue to adapt and change its programmes in response. As the Foundation starts its 35<sup>th</sup> year as a charity, it will be launching a Next Generation fund to support young people who have been hit particularly hard by the pandemic, and to encourage a new generation of philanthropists to begin their journey with the Foundation. Its Friends scheme builds on the support shown across its communities during the year alongside a re-launched corporate membership scheme that will engage new business and start-ups to join in support of the Foundation's work.

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

**Governance and Management**

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

The new committee structure has proven very effective. During the year we introduced, adapted and developed departmental reporting and a comprehensive key performance indicator pack for each committee and the Board. This enables greater scrutiny and with time, will improve performance monitoring though the year as well as year-on-year.

The Trustees, having continued the implementation of their plan, consider the governance structures of the Community Foundation to be appropriate to enable the Foundation to be a success in its next stage of development. Also, in line with its continuing commitment to ascertain best value from its professional advisers, the Foundation regularly undertakes tendering processes for this type of service.

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

**Trustees' Annual Report (continued)**  
**STRATEGIC REPORT (continued)**

---

**Structure, governance and management**

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

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

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

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

**Trustee recruitment, induction and training**

As set out above, potential Trustees of the Community Foundation are either invited to apply to the Board or can be nominated by a member of the Community Foundation. Potential Trustees who can demonstrate that they have the skills and knowledge required will be interviewed by a panel made up of Board members and which involves the Chief Executive. Successful applicants are recommended to join the Board. All appointments as Trustees are confirmed at the Community Foundation's general meeting.

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

1. Induction – introducing new Trustees to the ethos and workings of the Community Foundation and to their duties in the governance of the organisation.
2. Identifying and providing training – an ongoing process, assessing both current and future needs as the Community Foundation develops.
3. 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.
4. Strategic Away Days – which look at alternative ways of working.

**Organisation**

The Community Foundation currently has 13 Trustees. The Trustees are responsible for ensuring the Community Foundation continues to meet its charitable objectives as set out in its Memorandum and Articles of Association.

A Chief Executive is appointed by the Trustees to manage the day-to-day operations of the Community Foundation. To facilitate effective operations, the Senior Leadership Team has delegated authority for operational matters within terms of delegation approved by the Trustees.

**Trustees' Annual Report (continued)**  
**STRATEGIC REPORT (continued)**

---

**Structure, governance and management (continued)**

The Board meets five times a year and there are sub-committees covering Strategic Property, Resources, Remuneration, Audit and Philanthropy and Grants; all meetings are attended by senior members of the Executive Team. As well as these, time-limited task groups for specific projects are set up as and when required. The attendance at Board Meetings in the year was 94% (2020: 92%).

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

**Pay policy for key personnel**

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

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

**Related parties and co-operation with other organisations**

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

**Fundraising**

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

During the year the Community Foundation reviewed our privacy notice:

The Privacy Notice in brief

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

**Trustees' Annual Report (continued)**  
**STRATEGIC REPORT (continued)**

---

**Structure, governance and management (continued)**

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

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

**Statement of Disclosure to Auditors**

So far as each Trustee is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, each Trustee has taken all the necessary steps that they ought to have taken as Trustees in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

**Auditor**

Hillier Hopkins LLP were appointed as auditors in the year.

The Trustees' annual report, which is prepared under the Charities Act 2011, and which also contains all information required in a directors' report by the Companies Act 2006, and the incorporated Strategic Report prepared under the Companies Act 2006, were approved by the Board of Trustees and signed on behalf of the Board.



**Kurshida Mirza**  
Trustee

Date: 16 September 2021

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



## Statement of Trustees' responsibilities

---

### Trustees' responsibilities in the preparation of the financial statements

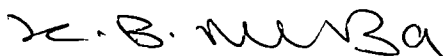
The Trustees (who are also directors of Milton Keynes Community Foundation Limited for the purposes of company law) are responsible for preparing the Trustees' Report, incorporating the Strategic Report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and apply them consistently.
- observe the methods and principles in the Charities SORP.
- make judgments and estimates that are reasonable and prudent.
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the group and the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and to 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

  
**Kurshida Mirza**  
Trustee

Date: 16 September 2021

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**

---

### **Opinion**

We have audited the financial statements of Milton Keynes Community Foundation Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Company balance sheet, the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 March 2021 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

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

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

---

### **Other information**

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

We have nothing to report in this regard.

### **Opinion on other matters prescribed by the Companies Act 2006**

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

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

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

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

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

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

### **Responsibilities of trustees**

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

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

---

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

### Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

---

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

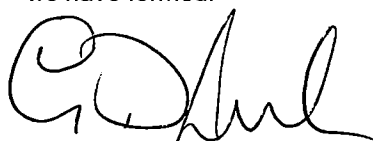
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

### Use of our report

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



**Grant Franklin ACA (Senior statutory auditor)**  
for and on behalf of **Hillier Hopkins LLP**  
Chartered Accountants Statutory Auditor  
249 Silbury Boulevard  
Milton Keynes Bucks  
MK9 1NA

Date: 8 - 10 - 2021

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND  
EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 MARCH 2021**

		Unrestricted funds 2021	Restricted funds 2021	Total funds 2021	Total funds 2020
	Note	£	£	£	£
<b>Income from:</b>					
Donations and legacies	4	257,760	1,838,616	2,096,376	1,077,013
Charitable activities	5	499,398	-	499,398	486,028
Other trading activities	6	321,531	-	321,531	691,516
Investments	7	873,787	567,310	1,441,097	1,492,521
<b>Total income</b>		<b>1,952,476</b>	<b>2,405,926</b>	<b>4,358,402</b>	<b>3,747,078</b>
<b>Expenditure on:</b>					
Raising funds	8,9	1,646,374	-	1,646,374	2,003,636
Charitable activities	10	558,734	2,180,694	2,739,428	1,746,551
<b>Total expenditure</b>		<b>2,205,108</b>	<b>2,180,694</b>	<b>4,385,802</b>	<b>3,750,187</b>
<b>Net (expenditure)/income before net (losses)/gains on investments</b>		<b>(252,632)</b>	<b>225,232</b>	<b>(27,400)</b>	<b>(3,109)</b>
Net (losses)/gains on investments		(11,286,096)	2,569,712	(8,716,384)	312,686
<b>Net (expenditure)/income</b>		<b>(11,538,728)</b>	<b>2,794,944</b>	<b>(8,743,784)</b>	<b>309,577</b>
Transfers between funds	23	(12,579)	12,579	-	-
<b>Net movement in funds</b>		<b>(11,551,307)</b>	<b>2,807,523</b>	<b>(8,743,784)</b>	<b>309,577</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		53,169,910	14,909,588	68,079,498	67,769,921
Net movement in funds		(11,551,307)	2,807,523	(8,743,784)	309,577
<b>Total funds carried forward</b>		<b>41,618,603</b>	<b>17,717,111</b>	<b>59,335,714</b>	<b>68,079,498</b>

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

The notes on pages 26 to 63 form part of these financial statements.

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 MARCH 2021**  
**REGISTERED NUMBER: 2032715**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Intangible assets	15	-	1,309
Tangible assets	16	197,933	241,877
Investments	18	18,650,804	15,243,352
Social investments	19	10,000	10,000
Investment property	17	40,516,666	52,309,825
		<b>59,375,403</b>	<b>67,806,363</b>
<b>Current assets</b>			
Debtors	20	892,802	1,064,704
Cash at bank and in hand		1,385,575	1,155,440
		<b>2,278,377</b>	<b>2,220,144</b>
Creditors: amounts falling due within one year	21	(1,318,066)	(947,009)
<b>Net current assets</b>		<b>960,311</b>	<b>1,273,135</b>
<b>Total assets less current liabilities</b>		<b>60,335,714</b>	<b>69,079,498</b>
Creditors: amounts falling due after more than one year	22	(1,000,000)	(1,000,000)
<b>Total net assets</b>		<b>59,335,714</b>	<b>68,079,498</b>
<b>Charity funds</b>			
Restricted funds	23	17,717,111	14,909,588
Unrestricted funds			
Designated funds	23	39,253,155	51,046,314
General funds	23	2,365,448	2,123,596
Total unrestricted funds	23	<b>41,618,603</b>	<b>53,169,910</b>
<b>Total funds</b>		<b>59,335,714</b>	<b>68,079,498</b>

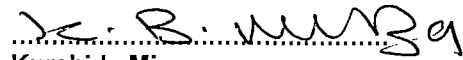
The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.


**CONSOLIDATED BALANCE SHEET (CONTINUED)**  
**AS AT 31 MARCH 2021**  
**REGISTERED NUMBER: 2032715**

---

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

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

  
Kurshida Mirza  
(Chair of Trustees)

  
Carole Baume  
(Trustee)

Date: 16 September 2021

The notes on pages 26 to 63 form part of these financial statements.



**COMPANY BALANCE SHEET**  
**AS AT 31 MARCH 2021**  
**REGISTERED NUMBER: 2032715**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Intangible assets	15	-	1,309
Tangible assets	16	5,671	9,266
Investments	18	19,050,805	15,643,353
Social investments	19	10,000	10,000
Investment property	17	28,989,916	36,397,285
		<b>48,056,392</b>	<b>52,061,213</b>
<b>Current assets</b>			
Debtors	20	1,049,530	1,085,679
Cash at bank and in hand		1,104,016	713,365
		<b>2,153,546</b>	<b>1,799,044</b>
Creditors: amounts falling due within one year	21	(1,224,188)	(764,618)
<b>Net current assets</b>		<b>929,358</b>	<b>1,034,426</b>
<b>Total assets less current liabilities</b>		<b>48,985,750</b>	<b>53,095,639</b>
Creditors: amounts falling due after more than one year	22	(1,000,000)	(1,000,000)
<b>Total net assets</b>		<b>47,985,750</b>	<b>52,095,639</b>
<b>Charity funds</b>			
Restricted funds	23	17,717,111	14,909,588
Unrestricted funds			
Designated funds	23	27,906,905	35,314,274
General funds	23	2,361,734	1,871,777
Total unrestricted funds	23	<b>30,268,639</b>	<b>37,186,051</b>
<b>Total funds</b>		<b>47,985,750</b>	<b>52,095,639</b>

---

**COMPANY BALANCE SHEET (CONTINUED)**  
**AS AT 31 MARCH 2021**  
**REGISTERED NUMBER: 2032715**

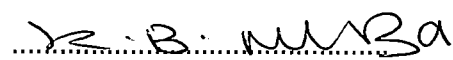
---


The Company's net movement in funds for the year was £(4,109,889) (2020 - £309,584).

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

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

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

  
.....  
**Kurshida Mirza**  
(Chair of Trustees)

  
.....  
**Carole Baume**  
(Trustee)

Date: 16 September 2021

The notes on pages 26 to 63 form part of these financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	26	<b>3,429</b>	<b>(673,549)</b>
<b>Cash flows from investing activities</b>			
Dividends, interests and rents from investments		<b>625,842</b>	<b>579,595</b>
Proceeds from the sale of tangible fixed assets		-	<b>(27,076)</b>
Purchase of tangible fixed assets		<b>(68,459)</b>	<b>(237,400)</b>
Proceeds from sale of investments		-	<b>2,900,966</b>
Purchase of investments		<b>(330,677)</b>	<b>(3,004,548)</b>
<b>Net cash provided by investing activities</b>		<b>226,706</b>	<b>211,537</b>
<b>Cash flows from financing activities</b>			
Repayments of borrowing		-	<b>(92,500)</b>
<b>Net cash provided by/(used in) financing activities</b>		-	<b>(92,500)</b>
<b>Change in cash and cash equivalents in the year</b>		<b>230,135</b>	<b>(554,512)</b>
Cash and cash equivalents at the beginning of the year		<b>1,155,440</b>	<b>1,709,952</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>1,385,575</b>	<b>1,155,440</b>

The notes on pages 26 to 63 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

---

**1. General information**

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

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

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

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

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

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

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

**2.2 Going concern**

The Covid 19 pandemic has had a significant impact on the charity. Whilst Emergency Funding has been secured, this is being paid out to support the VCCS community of Milton Keynes. At this stage we do not feel that our predicted funding levels will decline significantly during 2021/22 but the organisation is taking steps to ensure that costs are kept to a minimum. Our investment portfolio continues to perform well, and the trustees have been assured that the level of return from listed investments will not drop significantly in the next 12-18 months. In terms of our property portfolio, we are monitoring the situation carefully, and providing support where needed to tenants to ensure that they continue to pay their rent and service charges. A number of tenants will naturally not survive the pandemic, and the Trustees are continually monitoring the best use of these units. Detailed planning and scenario testing are being completed and updated regularly, so that the Trustees are able to make informed decisions regarding the best course of action to ensure that the organisation continues to be financially sound.

In spite of the current pandemic, the Trustees are satisfied that the group's assets attributable to each of its funds are available and adequate to fulfil its obligations in relation to those funds. The Trustees are confident that the Community Foundation is able to continue to meet its liabilities as they fall due for the foreseeable future and that the financial statements should be prepared on the going concern basis.

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

---

**2. Accounting policies (continued)**

**2.3 Income**

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

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

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

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

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

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

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

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

**Property income**

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

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

**Subsidiary company income**

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

---

**2. Accounting policies (continued)**

**2.4 Expenditure**

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

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

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs. This includes the value of grants awarded. This also includes governance costs including those incurred in the governance of the Community Foundation and its assets. Expenditure that can be recognised as wholly attributable to governance costs, for example audit fees and Trustee expenses, are directly allocated. All other costs, including staffing costs, are apportioned on the basis of an estimate of the time spent by each member of staff on governance-related issues. Such costs are primarily associated with the strategic planning processes that contribute to the future development of the Community Foundation and its statutory requirements.

Grants payable are charged in the year when the offer is approved by the Trustees and accepted by the beneficiaries. The value of such grants unpaid at the year-end is accrued. Grants where the beneficiary has to meet certain conditions before the grant is released are not accrued. .

All expenditure is inclusive of irrecoverable VAT.

**2.5 Government grants**

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

**2.6 Interest receivable**

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

---

**2. Accounting policies (continued)**

**2.7 Taxation**

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

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

**2.8 Intangible assets and amortisation**

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

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

The estimated useful lives are as follows: Amortisation is provided on the following basis:

Website	- 33 %
---------	--------

**2.9 Tangible fixed assets and depreciation**

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

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

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

Depreciation is provided on the following basis: Office equipment - 25 - 50%

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

---

**2. Accounting policies (continued)**

**2.10 Investments**

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

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

**2.11 Freehold and leasehold investment properties**

The investment properties are held for long-term investment and are included in the group balance sheet at their open market values.

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

**2.12 Debtors**

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

**2.13 Cash at bank and in hand**

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

**2.14 Liabilities and provisions**

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

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

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

**2.15 Financial instruments**

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



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

---

**2. Accounting policies (continued)**

**2.16 Operating leases**

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

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

**2.17 Pensions**

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

**2.18 Fund accounting**

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

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

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

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

**3. Critical accounting estimates and areas of judgment**

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

Critical accounting estimates and assumptions:

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

Critical areas of judgment:

**Property valuation**

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### 3. Critical accounting estimates and areas of judgment (continued)

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

### 4. Income from donations and legacies

	Unrestricted funds 2021	Restricted funds 2021	Total funds 2021
	£	£	£
Donations	254,731	1,838,616	2,093,347
Grants received for administration costs	3,029	-	3,029
Donations in kind	-	-	-
	<u>257,760</u>	<u>1,838,616</u>	<u>2,096,376</u>
	Unrestricted funds 2020	Restricted funds 2020	Total funds 2020
	£	£	£
Donations	39,222	924,408	963,630
Grants received for administration costs	80,064	-	80,064
Donations in kind	33,319	-	33,319
	<u>152,605</u>	<u>924,408</u>	<u>1,077,013</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**4. Income from donations and legacies (continued)**

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:

	<b>Unrestricted Total 2021 £</b>	<b>Unrestricted Total 2020 £</b>
Community car raffle		
Site	-	15,000
1st Prize	-	17,000
Marketing	-	1,319
	<hr/>	<hr/>
	-	33,319
	<hr/>	<hr/>

**5. Income from charitable activities**

	<b>Unrestricted funds 2021 £</b>	<b>Total funds 2021 £</b>
Property rental and service charge income	<hr/> 499,398	<hr/> 499,398
	<hr/>	<hr/>
	<b>Unrestricted funds 2020 £</b>	<b>Total funds 2020 £</b>
Property rental and service charge income	<hr/> 486,028	<hr/> 486,028
	<hr/>	<hr/>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**6. Income from other trading activities**

**Income from fundraising events**

	<b>Total funds 2021 £</b>
Raffle income	-

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Raffle income	7,317	7,317

**Income from non charitable trading activities**

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

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Trading income - MK Community Properties Ltd	684,199	684,199

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**7. Investment income**

	Unrestricted funds 2021	Restricted funds 2021	Total funds 2021
	£	£	£
Property investments	873,759	-	873,759
Listed investments	-	567,310	567,310
Interest receivable	28	-	28
	<u>873,787</u>	<u>567,310</u>	<u>1,441,097</u>
	Unrestricted funds 2020	Restricted funds 2020	Total funds 2020
	£	£	£
Property investments	913,771	-	913,771
Listed investments	102,643	474,596	577,239
Interest receivable	1,511	-	1,511
	<u>1,017,925</u>	<u>474,596</u>	<u>1,492,521</u>

**8. Expenditure on raising funds**

**Costs of raising voluntary income**

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

8. Expenditure on raising funds (continued)

Costs of raising voluntary income (continued)

	Unrestricted funds 2020	Total funds 2020
	£	£
Direct costs	73,912	73,912
Apportioned costs	131,434	131,434
Wages and salaries	200,423	200,423
	<u>405,769</u>	<u>405,769</u>

Fundraising trading expenses

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**8. Expenditure on raising funds (continued)**

**Fundraising trading expenses (continued)**

	<i>Unrestricted funds 2020</i>	<i>Total funds 2020</i>
	£	£
Apportioned costs	7,063	7,063
Wages and salaries	12,257	12,257
	<u>19,320</u>	<u>19,320</u>

**Other trading expenses**

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

	<i>Unrestricted funds 2020</i>	<i>Total funds 2020</i>
	£	£
MK Community Properties Ltd trading expenses	495,752	495,752
MK Community Properties Ltd staff costs	118,341	118,341
MK Community Properties Ltd depreciation	48,803	48,803
	<u>662,896</u>	<u>662,896</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**9. Investment management costs**

	Unrestricted funds 2021	Total funds 2021
	£	£
Property costs	742,849	742,849
Loan interest payable	36,700	36,700
Apportioned costs	549	549
Wages and salaries	1,788	1,788
	<u>781,886</u>	<u>781,886</u>
	Unrestricted funds 2020	Total funds 2020
	£	£
Investment expenses	3,042	3,042
Property costs	875,824	875,824
Loan interest payable	33,652	33,652
Apportioned costs	921	921
Wages and salaries	2,212	2,212
	<u>915,651</u>	<u>915,651</u>

**10. Analysis of expenditure on charitable activities**

**Summary by fund type**

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



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**10. Analysis of expenditure on charitable activities (continued)**

**Summary by fund type (continued)**

	<i>Unrestricted funds 2020</i>	<i>Restricted funds 2020</i>	<i>Total funds 2020</i>
	£	£	£
Grants awarded	658,567	1,087,984	1,746,551

**11. Analysis of expenditure by activities**

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

	<i>Activities undertaken directly 2020</i>	<i>Grant funding of activities 2020</i>	<i>Support costs 2020</i>	<i>Total funds 2020</i>
	£	£	£	£
Grants awarded	412,487	1,087,984	246,080	1,746,551

**Analysis of direct costs**

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**11. Analysis of expenditure by activities (continued)**

**Analysis of direct costs (continued)**

	Grants awarded 2020	Total funds 2020
	£	£
Staff costs	182,247	182,247
Other costs	123,988	123,988
Apportioned costs	106,252	106,252
	<u>412,487</u>	<u>412,487</u>

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

Costs that can be recognised as wholly attributable to one of the above categories are directly allocated. All other costs, including staff costs, are apportioned on the basis of an estimate of the time spent by each member of staff within the category. The allocation of staff time across various projects changes from year to year depending on the factors identified and agreed by the Board. Staff costs have been apportioned as follows:

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**11. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

	<b>Grants awarded 2021</b>	<b>Total funds 2021</b>
	<b>£</b>	<b>£</b>
Staff costs	61,356	<b>61,356</b>
Depreciation	4,903	<b>4,903</b>
Governance costs	204,641	<b>204,641</b>
	<u>270,900</u>	<u><b>270,900</b></u>

	<i>Grants awarded 2020</i>	<i>Total funds 2020</i>
	<i>£</i>	<i>£</i>
Staff costs	50,442	50,442
Depreciation	15,625	15,625
Governance costs	180,013	180,013
	<u>246,080</u>	<u>246,080</u>

**12. Auditor's remuneration**

	<b>2021 £</b>	<b>2020 £</b>
Fees payable to the Company's auditor for the audit of the Company's annual accounts	<b>13,250</b>	15,000
Fees payable to the Company's auditor in respect of:		
All taxation advisory services not included above	<b>1,500</b>	3,800
All non-audit services not included above	<b>3,640</b>	7,415

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**13. Staff costs**

	<b>Group 2021 £</b>	<b>Group 2020 £</b>	<b>Company 2021 £</b>	<b>Company 2020 £</b>
Wages and salaries	596,072	589,541	457,901	471,200
Social security costs	55,917	56,427	55,917	56,427
Contribution to defined contribution pension schemes	16,832	12,909	16,832	12,909
	<b>668,821</b>	<b>658,877</b>	<b>530,650</b>	<b>540,536</b>

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

	<b>Group 2021 No.</b>	<b>Group 2020 No.</b>
Marketing and Fund Development	4.0	4.1
Charitable activities	5.0	4.2
Operations	5.9	8.6
Finance and Governance	5.5	6.4
	<b>20.4</b>	<b>23.3</b>

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

	<b>Group 2021 No.</b>	<b>Group 2020 No.</b>
In the band £70,001 - £80,000	1	1

The total key management personnel of the parent charity comprise the Trustees and the Senior Executive Team, as disclosed on page 3. The employee benefits of the key management personnel were £283,148 (2020: £273,765), including employer's national insurance of £27,616 (2020: £27,531). The key management personnel for the group are the same as for the charity.

**14. Trustees' remuneration and expenses**

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

During the year ended 31 March 2021, travel expenses totalling £nil were reimbursed or paid directly to Trustee (2020: £20 to 1 Trustee).

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**15. Intangible assets**

**Group and Company**

	<b>Website £</b>
<b>Cost</b>	
At 1 April 2020	<b>34,577</b>
At 31 March 2021	<b>34,577</b>
<b>Amortisation</b>	
At 1 April 2020	<b>33,268</b>
Charge for the year	<b>1,309</b>
At 31 March 2021	<b>34,577</b>
<b>Net book value</b>	
At 31 March 2021	<b>-</b>
At 31 March 2020	<b>1,309</b>

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

16. Tangible fixed assets

Group

	Office equipment £
<b>Cost or valuation</b>	
At 1 April 2020	860,362
Additions	68,459
At 31 March 2021	928,821
<b>Depreciation</b>	
At 1 April 2020	618,485
Charge for the year	112,403
At 31 March 2021	730,888
<b>Net book value</b>	
At 31 March 2021	197,933
At 31 March 2020	241,877

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**16. Tangible fixed assets (continued)**

**Company**

	Office equipment £
<b>Cost or valuation</b>	
At 1 April 2020	40,650
At 31 March 2021	<u>40,650</u>
<b>Depreciation</b>	
At 1 April 2020	31,384
Charge for the year	3,595
At 31 March 2021	<u>34,979</u>
<b>Net book value</b>	
At 31 March 2021	<u>5,671</u>
At 31 March 2020	<u>9,266</u>

**17. Investment property**

**Group**

	Freehold investment property £	Long term leasehold investment property £	Total £
<b>Valuation</b>			
At 1 April 2020	50,703,950	1,605,875	52,309,825
(Deficit)/surplus on revaluation	(11,962,284)	169,125	(11,793,159)
At 31 March 2021	<u>38,741,666</u>	<u>1,775,000</u>	<u>40,516,666</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**17. Investment property (continued)**

**Company**

	Freehold investment property	Long term leasehold investment property	Total
	£	£	£
<b>Valuation</b>			
At 1 April 2020	34,791,410	1,605,875	36,397,285
(Deficit)/surplus on revaluation	(7,576,494)	169,125	(7,407,369)
At 31 March 2021	<u>27,214,916</u>	<u>1,775,000</u>	<u>28,989,916</u>

The investment properties were valued at 31 December 2020 by external valuers, Kirby and Diamond, Chartered Surveyors, on the basis of open market value in accordance with the appraisal and valuation manual of the Royal Institution of Chartered Surveyors. The valuation approach is as described in the RICS Information Paper "Comparable Evidence in Property Valuation". The Trustees are of the opinion that there has been no material movement in value of these properties between that date and 31 March 2021.

The historical cost of the properties is £2,994,979 (2020: £2,994,979).

**18. Fixed asset investments**

Group	Listed investments £
<b>Cost or valuation</b>	
At 1 April 2020	15,243,352
Additions	334,177
Disposals	(3,500)
Revaluations	3,076,775
At 31 March 2021	<u>18,650,804</u>
<b>Net book value</b>	
At 31 March 2021	<u>18,650,804</u>
At 31 March 2020	<u>15,243,352</u>



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**18. Fixed asset investments (continued)**

The historical cost of investments held at 31 March 2021 was £13,296,896 (2020: £12,996,114 ).

	Investments in subsidiary companies	Listed investments	Total
Company	£	£	£
<b>Cost or valuation</b>			
At 1 April 2020	400,001	15,243,352	15,643,353
Additions	-	334,177	334,177
Disposals	-	(3,500)	(3,500)
Revaluations	-	3,076,775	3,076,775
At 31 March 2021	<u>400,001</u>	<u>18,650,804</u>	<u>19,050,805</u>
<b>Net book value</b>			
At 31 March 2021	<u>400,001</u>	<u>18,650,804</u>	<u>19,050,805</u>
At 31 March 2020	<u>400,001</u>	<u>15,243,352</u>	<u>15,643,353</u>

**Principal subsidiaries**

The following were subsidiary undertakings of the Company:

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

The registered office of both the subsidiaries is the same as Milton Keynes Community Foundation Limited, being Acorn House, 381 Midsummer Boulevard, Milton Keynes, MK9 3HP. Both companies are included in the consolidation.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**18. Fixed asset investments (continued)**

The financial results of the subsidiaries for the year were:

<b>Names</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Profit/(Loss) / Surplus/ (Deficit) for the year £</b>	<b>Net assets £</b>
MK Community Properties Limited	298,303	(4,932,198)	(4,633,895)	11,749,972
MKCP Limited	-	-	-	1

**19. Social investments**

**Group and Company**

	<b>Social Enterprise project £</b>
<b>Cost or valuation</b>	
At 1 April 2020	10,000
<b>Net book value</b>	
At 31 March 2021	10,000
At 31 March 2020	10,000

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

**20. Debtors**

	<b>Group 2021 £</b>	<b>Group 2020 £</b>	<b>Company 2021 £</b>	<b>Company 2020 £</b>
<b>Due within one year</b>				
Trade debtors	77,567	154,236	66,824	92,021
Amounts owed by group undertakings	-	-	235,004	84,603
Other debtors	211,867	160,176	211,867	160,176
Prepayments and accrued income	603,368	750,292	535,835	748,879
	<b>892,802</b>	<b>1,064,704</b>	<b>1,049,530</b>	<b>1,085,679</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**20. Debtors (continued)**

Included in debtors is £51,589 (2020: £26,665) relating to sales proceeds of Community Foundation Land which is due in more than one year.

**21. Creditors: Amounts falling due within one year**

	<b>Group 2021 £</b>	<i>Group 2020 £</i>	<b>Company 2021 £</b>	<i>Company 2020 £</i>
Trade creditors	29,476	95,834	16,917	26,644
Other taxation and social security	65,938	12,644	65,938	16,046
Other creditors	174,244	170,492	114,512	73,286
Accruals and deferred income	515,126	331,935	493,539	312,538
Grants accrued	533,282	336,104	533,282	336,104
	<b>1,318,066</b>	<i>947,009</i>	<b>1,224,188</b>	<i>764,618</i>
	<b>Group 2021 £</b>	<i>Group 2020 £</i>	<b>Company 2021 £</b>	<i>Company 2020 £</i>
Deferred income at 1 April 2020	112,066	175,981	93,243	151,913
Resources deferred during the year	273,615	112,066	253,535	93,243
Amounts released from previous periods	(112,066)	(175,981)	(93,243)	(151,913)
	<b>273,615</b>	<i>112,066</i>	<b>253,535</b>	<i>93,243</i>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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

	<b>Group 2021 £</b>	<b>Group 2020 £</b>	<b>Company 2021 £</b>	<b>Company 2020 £</b>
Bank loans	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>

Included within the above are amounts falling due as follows:

**Between two and five years**

Bank loans	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>
------------	------------------	------------------	------------------	------------------

On 31 March 2015, as part of the group re-organisation, a loan was taken out with Handelsbanken for £1.25M. The loan was fixed at 2.06% for three years followed by a variable rate of 2.35% over 3M Libor for a further two years. At 31 March 2018 there was a break clause enabling the Community Foundation to repay the fixed loan without penalty. On 3 April 2018 the loan was renewed. Under the new loan agreement there is a loan of £1,000,000 which is on a fixed rate of 3.65% until maturity at 6 April 2021 and a loan of £250,000 which is on a variable rate of 2.42% over LIBOR over three years. The loan has been renewed for another 3 years post year end. The loan is secured by a fixed charge over Margaret Powell House, Acorn House and the units in Burners Lane, Stacey Bushes. The carrying value of these properties is £11,200,000 (2020: £11,540,000).

**23. Statement of funds**

**Statement of funds - current year**

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**23. Statement of funds**

**Statement of funds - current year (continued)**

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
<b>Restricted funds</b>						
Arts Fund	388,190	19,209	(11,665)	-	83,259	<b>478,994</b>
Sport Relief Fund	2,341	-	-	-	-	<b>2,341</b>
Margaret Powell (Grants)	356	-	-	-	-	<b>356</b>
MK DASS Fund	287,017	10,042	-	-	52,758	<b>349,817</b>
RSM Fund	1,013	281	(1,011)	-	-	<b>284</b>
Women's Fund	29,049	4,089	(990)	-	5,005	<b>37,153</b>
thecentre:mk Fund	4,950	-	-	(1,651)	-	<b>3,300</b>
NiftyLift Fund	41,605	3,143	(2,200)	(297)	7,145	<b>49,396</b>
Family Funds	154,458	42,575	(7,581)	9,245	27,047	<b>225,744</b>
Kara Hurley Memorial Fund	262,416	10,879	(5,500)	500	50,516	<b>318,811</b>
Grassroots Endowment Fund	878,715	30,354	(22,083)	(6,616)	159,477	<b>1,039,847</b>
Shoosmiths Fund	1,429	43	(239)	-	-	<b>1,233</b>
Surviving Winter	28,065	7,760	(1,652)	(24,345)	-	<b>9,828</b>
Open University Fund	221	-	-	(221)	-	<b>-</b>
Local Giving	77,502	465,149	(426,357)	-	-	<b>116,293</b>
New Communities Funds	231,304	-	(3,264)	-	-	<b>228,040</b>
Jubilee Sports Fund	4,605	300	(4,557)	-	-	<b>348</b>
Community First EMC	11,603,165	490,963	(336,907)	(47,693)	2,139,890	<b>13,849,419</b>
Hopkinson Music Fund	65,492	2,273	-	-	11,942	<b>79,707</b>
Coventry Building Society Fund	1	-	-	-	-	<b>1</b>
VW Fund	11,391	10,000	(11,389)	-	-	<b>10,002</b>
Music Centre Fund	10,128	-	-	237	-	<b>10,365</b>
Business Leaders Fund	14,730	-	(7,741)	-	-	<b>6,989</b>
Big Local Conniburrow Fund	38,933	84,000	(84,535)	-	-	<b>38,398</b>
Great Linford Waterslide Festival Fund	38,065	1,353	-	(2,676)	7,108	<b>43,850</b>
Prevention of Crime Fund	4,441	-	(1,650)	(2,609)	-	<b>182</b>
Rainscourt Fund	8,443	6,250	1,000	-	-	<b>15,693</b>
Tony Byrne Financial Services Fund	34,151	8,383	(1,100)	-	4,310	<b>45,744</b>

**23. Statement of funds – current year (continued)**

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

**23. Statement of funds – current year (continued)**

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

Milton Keynes Community Foundation Limited maintains a number of separate funds, the movements in which are detailed in this note and the net assets of which are analysed in note 24. Monies held in funds can be either flow-through (monies donated in one year are spent in the next along with any investment income earned) or endowment (monies are held in the fund until the fund reaches an agreed level at which time the annual income on the fund balance is spent).

Details of the funds are as follows:

**Unrestricted fund**

This fund is the main fund of the Community Foundation into which the majority of donations are made. Most grants are paid out of this fund and the majority of the administration costs are borne by this fund. Interest and investment income is added to this fund as earned.

**Designated funds**

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

**Restricted funds**

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**23. Statement of funds - prior year**

	<i>Balance at 1 April 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 March 2020 £</i>
<b>Unrestricted funds</b>						
Community	2,757,474	2,349,114	(2,662,203)	(8,283)	(312,506)	<b>2,123,596</b>
Designated - Property	50,015,239	-	-	-	1,031,075	<b>51,046,314</b>
<b>Total unrestricted funds</b>	<b>52,772,713</b>	<b>2,349,114</b>	<b>(2,662,203)</b>	<b>(8,283)</b>	<b>718,569</b>	<b>53,169,910</b>



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**23. Statement of funds (continued)**

**Statement of funds - prior year**

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2020 £
<b>Restricted funds</b>						
Arts Fund	393,463	19,045	(11,487)	-	(12,831)	<b>388,190</b>
Sport Relief Fund	4,554	-	(2,200)	(13)	-	<b>2,341</b>
Margaret Powell (Grants)	43	299	14	-	-	<b>356</b>
MK DASS Fund	292,324	9,798	(6,974)	-	(8,131)	<b>287,017</b>
RSM Fund	452	561	-	-	-	<b>1,013</b>
Women's Fund	30,102	1,146	(878)	(550)	(771)	<b>29,049</b>
thecentre:mk Fund	5,000	-	(6,050)	6,000	-	<b>4,950</b>
NiftyLift Fund	41,206	3,212	(1,926)	214	(1,101)	<b>41,605</b>
Family Funds	152,337	13,128	(6,055)	(382)	(4,570)	<b>154,458</b>
Kara Hurley Memorial Fund	270,218	9,381	(9,399)	-	(7,784)	<b>262,416</b>
Grassroots Endowment Fund	861,377	29,617	(12,571)	550	(258)	<b>878,715</b>
Shoosmiths Fund	2,756	2	(1,329)	-	-	<b>1,429</b>
Surviving Winter	30,688	3,918	(6,541)	-	-	<b>28,065</b>
Open University Fund	221	-	-	-	-	<b>221</b>
Local Giving	91,423	278,578	(292,499)	-	-	<b>77,502</b>
New Communities Funds	234,524	-	(3,220)	-	-	<b>231,304</b>
Jubilee Sports Fund	628	4,504	(540)	13	-	<b>4,605</b>
Community First EMC	11,984,812	475,456	(496,691)	(214)	(360,198)	<b>11,603,165</b>
Hopkinson Music Fund	65,114	2,218	-	-	(1,840)	<b>65,492</b>
Coventry Building Society Fund	-	1,286	(1,285)	-	-	<b>1</b>
VW Fund	11,064	10,000	(9,673)	-	-	<b>11,391</b>
Music Centre Fund	10,365	-	(237)	-	-	<b>10,128</b>
Business Leaders Fund	10,277	5,003	(550)	-	-	<b>14,730</b>
Big Local Conniburrow Fund	115,867	-	(76,934)	-	-	<b>38,933</b>
Great Linford Waterslide Festival Fund	38,170	1,320	(330)	-	(1,095)	<b>38,065</b>
Prevention of Crime Fund	7,224	1,247	(4,780)	750	-	<b>4,441</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**23. Statement of funds (continued)**

**Statement of funds - prior year**

	<i>Balance at 1 April 2019</i> £	<i>Income</i> £	<i>Expenditure</i> £	<i>Transfers in/out</i> £	<i>Gains/ (Losses)</i> £	<i>Balance at 31 March 2020</i> £
Rainscourt Fund	10,703	5,000	(7,260)	-	-	<b>8,443</b>
Tony Byrne Financial Services Fund	26,637	10,707	(2,200)	-	(993)	<b>34,151</b>
Youth Social Action Fund	10,173	11,000	(7,900)	-	-	<b>13,273</b>
Bramwell Fund	15,277	940	(12,029)	-	-	<b>4,188</b>
Chichley Fund	34,640	6,824	(2,099)	-	(843)	<b>38,522</b>
CCG Fund	-	-	-	-	-	-
ICAEW Social Mobility Fund	29,912	-	(8,806)	-	-	<b>21,106</b>
Netherfield Children Centre Legacy Fund	1	-	-	-	-	<b>1</b>
Heald Solicitors Fund	-	-	-	-	-	-
New City Fund	3,656	250	-	1,915	-	<b>5,821</b>
Tampon Tax Fund	-	12,949	(10,934)	-	-	<b>2,015</b>
National Lottery Fund	212,000	-	(36,300)	-	-	<b>175,700</b>
Olney Education Trust	-	6,501	-	-	-	<b>6,501</b>
Beadle Fund	-	51,232	-	-	(5,468)	<b>45,764</b>
MK Council 2050 Fund	-	150,000	(22,887)	-	-	<b>127,113</b>
Watercare Fund	-	15,000	(8,385)	-	-	<b>6,615</b>
TVP - Violent Crime Reduction	-	40,000	(5,500)	-	-	<b>34,500</b>
Covid 19 Emergency Response	-	50,842	(344)	-	-	<b>50,498</b>
MK Christian Centre Fund	-	40,000	(11,205)	-	-	<b>28,795</b>
Norman Hawes Memorial Trust	-	127,000	-	-	-	<b>127,000</b>
<b>Total restricted funds</b>	<b>14,997,208</b>	<b>1,397,964</b>	<b>(1,087,984)</b>	<b>8,283</b>	<b>(405,883)</b>	<b>14,909,588</b>
<b>Total funds</b>	<b>67,769,921</b>	<b>3,747,078</b>	<b>(3,750,187)</b>	<b>-</b>	<b>312,686</b>	<b>68,079,498</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**24. Summary of funds**

**Summary of funds - current year**

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

**Summary of funds - prior year**

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2020 £
Designated						
funds	50,015,239	-	-	-	1,031,075	51,046,314
General funds	2,757,474	2,349,114	(2,662,203)	(8,283)	(312,506)	2,123,596
Restricted funds	14,997,208	1,397,964	(1,087,984)	8,283	(405,883)	14,909,588
	<u>67,769,921</u>	<u>3,747,078</u>	<u>(3,750,187)</u>	<u>-</u>	<u>312,686</u>	<u>68,079,498</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**25. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

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

**Analysis of net assets between funds - prior year**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	241,877	-	241,877
Intangible fixed assets	1,309	-	1,309
Fixed asset investments	2,528,209	12,715,143	15,243,352
Investment property	52,309,825	-	52,309,825
Social investments	10,000	-	10,000
Current assets	(246)	2,220,390	2,220,144
Creditors due within one year	(921,064)	(25,945)	(947,009)
Creditors due in more than one year	(1,000,000)	-	(1,000,000)
<b>Total</b>	<b>53,169,910</b>	<b>14,909,588</b>	<b>68,079,498</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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

Net income/expenditure for the year (as per Statement of Financial Activities)	(8,743,784)	309,577
<b>Adjustments for:</b>		
Depreciation charges	113,712	64,184
Gains/(losses) on investments	8,716,384	(312,686)
Dividends, interests and rents from investments	(625,842)	(579,595)
Loss/(profit) on the sale of fixed assets	-	(244)
Decrease in debtors	171,902	17,769
Increase/(decrease) in creditors	371,057	(172,554)
<b>Net cash provided by/(used in) operating activities</b>	<b>3,429</b>	<b>(673,549)</b>

**27. Analysis of cash and cash equivalents**

	<b>Group 2021 £</b>	<b>Group 2020 £</b>
Cash in hand	<b>1,385,575</b>	<b>1,155,440</b>

**28. Analysis of changes in net debt**

	<b>At 1 April 2020 £</b>	<b>Cash flows £</b>	<b>At 31 March 2021 £</b>
Cash at bank and in hand	<b>1,155,440</b>	<b>230,135</b>	<b>1,385,575</b>
Debt due after 1 year	<b>(1,000,000)</b>	<b>-</b>	<b>(1,000,000)</b>
	<b>155,440</b>	<b>230,135</b>	<b>385,575</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**29. Grant commitments**

	Unrestricted funds	Restricted funds	Big Local Conniborrow	Local Giving	Total
Analysis of grants made	£	£	£	£	£
Voluntary groups and charities	73,426	1,660,802	84,535	426,357	2,245,120
Individuals	-	9,000	-	-	9,000
<b>Total</b>	<b>73,426</b>	<b>1,669,802</b>	<b>84,535</b>	<b>426,357</b>	<b>2,254,120</b>

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

**Reconciliation of grants payable**

	2021 £	2020 £
Grants to Voluntary Groups and Charities	1,734,228	787,667
Grants through Local Giving	426,357	272,617
Big Local Conniborrow Project	84,535	76,934
Grants to Individuals	9,000	11,000
	<u>2,254,120</u>	<u>1,148,218</u>
Commitments at 1 April	336,104	376,999
Commitments made in the year	2,376,514	1,165,462
Grants cancelled or recovered	(18,225)	(17,244)
	<u>2,358,289</u>	<u>1,148,218</u>
Grants payable for the year	2,358,289	1,148,218
Grants paid during the year	(2,161,111)	(1,189,113)
	<u>533,282</u>	<u>336,104</u>
Commitments at 31 March	533,282	336,104
Commitments at 31 March are payable as follows:		
Within one year	533,282	336,104
After one year	-	-
	<u>533,282</u>	<u>336,104</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### 30. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund managed by Royal London on behalf of the organisation. The pension cost charge represents contributions payable by the group to the fund and amounted to £16,832 (2020 - £12,909). There were no contributions payable to the fund at the balance sheet date (2020 - £nil).

### 31. Operating lease commitments

At 31 March 2021 the Group and the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Not later than 1 year	71,652	71,652	38,185	38,185
Later than 1 year and not later than 5 years	28,354	44,362	7,057	44,362
	<u>100,006</u>	<u>116,014</u>	<u>45,242</u>	<u>82,547</u>

### 32. Contingent liabilities

Under the arrangements surrounding the transfer on 27 November 1992 of certain properties from English Partnerships, previously known as the Commission for the New Towns, the group is under a contractual obligation to repay amounts to English Partnerships ("clawback") in respect of the net capital gains arising on certain disposals or change of use in relation to either Community Related Assets (certain industrial units at Kiln Farm, Stacey Bushes and Number 56 Buckingham Street Wolverton) or Community Foundation Land sites (32 undeveloped and 1 developed).

Based on the open market value, as at 31 March 2021 the total potential liability for the clawback was £13,343,155 (2020: £21,865,640). No provision has been made for deferred tax that may arise if the properties were sold in the future. It is the Trustees' opinion that no tax would arise on a future sale of the properties as any profits from such sale would be distributed via Gift Aid to the company's charitable parent Milton Keynes Community Foundation from its subsidiary company, MK Community Properties Limited. Milton Keynes Community Foundation is part of a VAT group with its subsidiary, MK Community Properties, and is therefore jointly liable for any VAT debts of MK Community Properties Limited.

### 33. Indemnity insurance

The group has purchased insurance for the Trustees and staff of the charity and the directors of the subsidiary company, MK Community Properties Limited, against liability arising for wrongful acts in relation to the charity and its wholly owned subsidiary. The cost of this insurance amounts to £1,706 (2020: £2,213).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### 34. Related party transactions

A number of Trustees, as well as being individual members of the Community Foundation, are associated with organisations that are corporate members of the Community Foundation. Total individual donations received from Trustees in the year amounted to £1,605 (2020: £1,172). Neither the Trustees nor their associated organisations derive any benefit as a result of their membership of the Community Foundation.

Furthermore, as mentioned previously in this report, the Community Foundation is also able to support the not-for-profit sector in Milton Keynes through the provision of properties that are let on preferential terms. The amount of this subsidy, the difference between the full commercial rental and the subsidised rent paid by the not-for-profit sector tenants, is in excess of £1,220,000 per annum for the year to 31 March 2021 (2020: £1,243,000). One Trustee worked for or were Trustees of organisations that currently receive subsidised accommodation in the previous year, namely:

Mrs F Komolafe (resigned 16.09.19), Into the Community (ITC) and Fresh Inspiration (FI)

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.

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 2021.

	2021 FI £	2021 ITC £	2020 FI £	2020 ITC £
Rent	-	-	1,475	4,625
Service charge/insurance	-	-	1,799	2,681
Car parking etc.	-	-	700	-
	-	-	3,974	7,306
At the year end the balance due/(to) the tenant:	-	-	572	(665)

During the year Milton Keynes Community Foundation Limited charged rent and service charges to MK Community Properties Limited in the sum of £261,798 (2020: £259,643). Milton Keynes Community Foundation Limited purchased room hire and catering services from MK Community Properties Limited during the year amounting to £nil (2020: £428). These transactions have been removed on consolidation.

During the year, grants totalling £nil (2020: £66,200) were awarded to MK Gallery Enterprises (of which K Chadwick, a Trustee, is a director), grants totalling £110,000 (2020: £nil) were awarded to MK Gallery (of which C Baume, a Trustee, is a trustee), grants totalling £5,000 (2020: £nil) were awarded to Worktree (of which J Sinclair and P Zumbika-Lwanga, Trustees, are trustees) and grants totalling £8,250 (2020: £5,000) were awarded to Trubys Garden Tea Rooms (of which Ms K Mirza, a Trustee, is a Trustee). There was £80,000 outstanding owed to the related party at the year end (2020: £nil).



**NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 MARCH 2021**

---

**35. Financial instruments**

	<b>Group 2021 £</b>	<i>Group 2020 £</i>	<b>Company 2021 £</b>	<i>Company 2020 £</i>
<b>Financial assets</b>				
Financial assets measured at fair value through income and expenditure	<b>18,660,804</b>	<i>15,253,352</i>	<b>18,660,804</b>	<i>15,253,352</i>

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