

Charity registration number: 1027652

Mountsorrel United Charities

Annual Report and Financial Statements
for the Year Ended 31 December 2016

RWB CA Limited
Northgate House
North Gate
New Basford
Nottingham
NG7 7BQ

Mountsorrel United Charities

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Mountsorrel United Charities

Reference and Administrative Details

Trustees	D B Allard J B Berger P A Harris S R Haywood P Maguire F L Newitt G Overton Rev C E Resch A C Robinson L A Tyman G Wainwright N S Wakeling
Other Officers	Paul Blakemore C/o KDB Accountants and Consultants Limited, Clerk to the Trustees
Principal Office	C/o KDB Accountants and Consultants Limited 21 Hollytree Close Hoton Loughborough LE12 5SE
Charity Registration Number	1027652
Bankers	National Westminster Bank Plc Market Place Loughborough Leicestershire LE11 3NZ
Independent Examiner	RWB CA Limited Northgate House North Gate New Basford Nottingham NG7 7BQ

Mountsorrel United Charities

Trustees' Report

The trustees have pleasure in presenting their report and the audited financial statements of the charity for the year ended 31 December 2016.

REFERENCE AND ADMINISTRATIVE DETAILS

Reference and administrative details are shown in the schedule of members of the board and professional advisers on page 1 of the financial statements.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The present Mountsorrel United Charities comprises:

- a) The Mountsorrel United Charities
- b) The Mountsorrel Relief in Need Charity
- c) The Hugh Phipps Charity

The original charities were combined as shown below:

The Mountsorrel United Charities – Regulated by Deeds dated

The Consolidated Charities – 23 June 1874

The Charity of Thomas Stathan – 23 June 1874

The Charity of Richard Nidd – 23 June 1874

The Charity of Joseph Danvers – 23 June 1874

Registered Charity No: 1027652

The Mountsorrel Relief in Need Charity – Regulated by Deeds dated

The Mountsorrel Patriotic Fund – 5 April 1939

The Charity of John Mitchell – 7 January 1974

The Charity of Emily Wright – 7 January 1974

The Mountsorrel Share of the Thomas Rawlins Eleemosynary Charities – 29 April 1952

The Charity of Benjamin Preston – 19 July 1916

The Charity of Ralph Smalley – 18 May 1665

The Charity of John Ellis – 27 June 1919

Registered Charity No: 217615

The Hugh Phipps Charity – Regulated by Deeds dated 9 May 1753

Registered Charity No: 217611

TRUSTEES OF THE MOUNTSORREL UNITED CHARITIES

Trust Deeds amended by the Scheme (dated 1 September 1993) stipulates that there should be sixteen Trustees:

One Ex-officio Trustee

Five Trustees nominated by Mountsorrel Parish Council

Ten Co-opted Trustees

Mountsorrel United Charities

Trustees' Report

THE TRUSTEES

The trustees who served the charity during the period were as follows, and appointed by:

D B Allard (Chairman) – Co-opted Trustee
J B Berger (Resigned 4 October 2016) – Co-opted Trustee
P A Harris – Mountsorrel Parish Council nominated Trustee
S R Haywood (Vice Chairman) – Mountsorrel Parish Council nominated Trustee
F L Newitt – Mountsorrel Parish Council nominated Trustee
P J Mcquire – Mountsorrel Parish Council nominated Trustee
G Overton – Co-opted Trustee
Rev C E Resch – Ex-Officio Trustee
A C Robinson – Co-opted Trustee
L A Tyman – Co-opted Trustee
G Wainwright – Co-opted Trustee
N S Wakeling – Mountsorrel Parish Council nominated Trustee

Trustees of the Mountsorrel Relief in Need Fund

Trust Deeds amended by The Scheme (dated 3 March 1977) stipulates that the Trustees should be those of the United Charities.

Trustees of the Charity of Hugh Phipps

Trust Deeds amended by The Scheme (dated 3 March 1977) stipulates that the Trustees should be those of the United Charities.

Application for Benefit Secretary

Ms R White

POLICY FOR INDUCTION OF TRUSTEES

The Trustees receive with their first agenda and minutes a copy of the charity booklet entitled Charity Commission for England and Wales Responsibilities of Charity Trustees together with a copy of the Charity Commission Trust Deed dated 1 September 1993.

The Chairman of the Trustees at the new Trustees' first meeting outlines the history, work and responsibilities of the Trustees and welcomes and formally introduces the Trustee to the Body of Trustees and the Officers of the Charity.

THE TRAINING OF TRUSTEES

The training of the Trustees takes place as opportunity arises through courses for Trustees.

OBJECTIVES AND ACTIVITIES

The Trustees confirm that they have referred to the guidance on public benefit when reviewing the charity's aims and objectives and in setting grant making policy for the year.

Mountsorrel United Charities

Trustees' Report

Mountsorrel Relief in Need Charity

In accordance with the Trust Deed the Trustees apply the income of the Relief in Need Charity in relieving either generally or individually, persons resident in the Parish of Mountsorrel who are in conditions of need, hardship or distress by making grants of money or providing or paying for items, services or facilities calculated to reduce the need, hardship or distress of such persons.

All citizens of Mountsorrel are entitled to apply. The Trustees consider all enquiries on a confidential basis and grants are made at their absolute discretion.

The Trustees may pay for such items, services or facilities by way of donation or subscriptions to institutions or organisations which undertake to provide such items, services or facilities for such persons.

In exceptional cases, the Trustees may grant relief to persons otherwise eligible but who are resident immediately outside the said Parish, if it is in the opinion of the Trustees there is sufficient reason to be treated as if resident therein or who are located for the time being therein.

If any, in so far as income cannot be applied as aforementioned the Trustees may apply it in the same manner in relieving former residents of the said Parish of Mountsorrel who are in conditions of need, hardship or distress.

Mountsorrel Hugh Phipps Charity

The Trustees apply the income of the Hugh Phipps Charity for the relief of poor non-conformists resident in the area comprising the Parishes of Mountsorrel, Thurcaston and Swithland, but with a preference for such persons as are resident in the said Parish of Mountsorrel either in gifts in kind or grants of money.

ACHIEVEMENTS AND PERFORMANCE

The Trustees considered 185 applications and made 165 grants during 2016 in respect of Mountsorrel Relief in Need Fund, amounting to £136,768:

<u>Grants Made</u>	31 Dec 2016
Provision of items for 78 persons	54,374
This includes financing floor covering, furniture, bedding, wheelchairs and electrical appliances and clothing	
Payment of services for 9 persons	7,616
Related to house decorations and repairs	
Provision of services for 58 persons	25,916
In relation to gardening services and foot care	
Grants of money for 15 persons	10,923
Relating to rent arrears, insolvency services, funeral expenses, gas and electricity, spectacles, travel expenses, legal costs, therapy and counselling, and rentals agreed in previous years	
Payment to Sorrel Youth Café	11,000
Payment to an institution in relation to Mountsorrel Memorial Day Care	18,530
Payment to an institution in relation to Mountsorrel Benefits Project	6,900
Payment to Soar Valley Community Fund Project	1,000
Payment to Soar Valley Money Advice Centre	500
Total	<u>136,759</u>

Mountsorrel United Charities

Trustees' Report

FINANCIAL REVIEW

For all the following Charities and Funds, the Trustees shall first defray out of the income of the Charity all the proper costs, charges and expenses of, and incidental to, the administration and management of the Charity.

<u>Relief in Need Fund</u>	31 Dec 2016	31 Dec 2015
	£	£
Total Incoming Resources	143,904	144,735
Resources Used	174,179	143,940
Net (Deficit) Surplus	(30,275)	795

<u>Hugh Phipps Fund</u>	31 Dec 2016	31 Dec 2015
	£	£
Total Incoming Resources	478	464
Resources Used	-	(715)
Net (Deficit) Surplus	478	(251)

THE INVESTMENT PERFORMANCE AGAINST TARGETS

The Trustees have reviewed their investment performance against other investments on the FTSE Share Index, FTUK Gilts Index and i-Boxx Corporate Bonds Index.

FUTURE PLANS FOR THE RELIEF IN NEED CHARITY

The Trustees continue to consider extending the work of the Charity in accordance with their objectives and the various needs of assistance that may be required in the community of Mountsorrel.

The Trustees continue to advertise through a local publication which goes to every house in Mountsorrel, the work of the Mountsorrel Relief in Need Charity.

RESERVES POLICY

It is the Policy of the Charity to maintain funds that are free reserves of the Charity, at a level that equates to approximately one year's unrestricted management administration and support costs. The year 2016 has seen the number of approved applications for the Relief in Need charity increase from 147 applications in 2015 to 165 in 2016.

RISK MANAGEMENT

The Trustees have examined the major strategic business and operational risks that the Charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks.

TRUSTEES' INVESTMENT POLICY

The Trustees, under the Trustee Act 2000 have a statutory duty of care. It applies to:

- Exercise of their power of investment
- Obligation to review the investments

Mountsorrel United Charities

Trustees' Report

- Obligation to review any arrangements with an agent nominee or custodian.

Under the Act the Trustees will exercise such care and skill as is reasonable in the circumstances, having regard to:

- Any special knowledge or experience that the Trustees have or claim to have
- Where any Trustee is acting as such in the course of a business or profession to have

The Trustees will take proper advice unless they reasonably conclude it is unnecessary or inappropriate to do so.

They will also follow the standard investment criteria and consider:

- The suitability of the investment being selected or reviewed for the organisation
- The need to diversify the Charities investments

Delegating powers

The trustees continue to delegate powers to Brewin Dolphin to manage funds on a discretionary basis.

Investment Objective

The Trustees intend that the real value of their assets be maintained and enhanced over the long term by investments in a portfolio comprised of equities, fixed interest stocks, property, land and cash. The overall investment strategy is broadly based on a relatively cautious attitude to risk, with guarantees attaching where available. Capital growth of 3% per annum or more is sought, with an income generation of 3% to 4% per annum to meet the expenditure requirements.

The Trustees will take into account the Charities' needs and those of its beneficiaries in the short, medium and long term on the above basis.

Investment Brief

The asset allocating is under review and is discussed periodically with Brewin Dolphin.

The investment of £1.2 million has been made in land and is viewed as a long term investment.

The funds available are divided into three main categories:

The remaining funds for income investment are held by Brewin Dolphin in a balanced portfolio in line with the risk profile and subject to discretionary management.

Short term bank deposits are maintained at a level to fund the day to day operations of the charity.

Financial instruments

Objectives and policies

The charity's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the charity's policies approved by the board of trustees, which provide written principles on the use of financial derivatives to manage these risks. The charity does not use derivative financial instruments for speculative purposes.

Mountsorrel United Charities

Trustees' Report

Cash flow risk

The charity's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The charity uses foreign exchange forward contracts and interest rate swap contracts to hedge these exposures.

Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

Credit risk

The charity's principal financial assets are bank balances and cash, trade and other receivables, and investments. The charity's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The charity has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the charity uses a mixture of long-term and short-term debt finance.

Further details regarding liquidity risk can be found in the Statement of accounting policies in the financial statements.

Mountsorrel United Charities

Trustees' Report

Statement of Trustees' Responsibilities

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

The law applicable to charities requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the constitution. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The annual report was approved by the trustees of the charity on 14 June 2017 and signed on its behalf by:

.....
D B Allard
Trustee

Mountsorrel United Charities

Independent Examiner's Report to the trustees of Mountsorrel United Charities

I report on the accounts of the charity for the year ended 31 December 2016 which are set out on pages 10 to 25.

Respective responsibilities of trustees and examiner

The trustees are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the next statement.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 130 of the Charities Act 2011; and
- to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act

have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

.....
Neil Coupland FCA DChA
RWB CA Limited

Northgate House
North Gate
New Basford
Nottingham
NG7 7BQ

14 June 2017

Mountsorrel United Charities

Statement of Financial Activities for the Year Ended 31 December 2016

	Note	Unrestricted funds £	Total 2016 £	Total 2015 £
Income and Endowments from:				
Investment income	2	144,378	144,378	145,199
Expenditure on:				
Raising funds		(16,231)	(16,231)	(15,471)
Charitable activities		<u>(160,486)</u>	<u>(160,486)</u>	<u>(134,936)</u>
Total Expenditure		<u>(176,717)</u>	<u>(176,717)</u>	<u>(150,407)</u>
Gains/losses on investment assets		<u>1,214,804</u>	<u>1,214,804</u>	<u>(406,269)</u>
Net movement in funds		1,182,465	1,182,465	(411,477)
Reconciliation of funds				
Total funds brought forward		<u>12,637,604</u>	<u>12,637,604</u>	<u>13,049,081</u>
Total funds carried forward	16	<u><u>13,820,069</u></u>	<u><u>13,820,069</u></u>	<u><u>12,637,604</u></u>

All of the charity's activities derive from continuing operations during the above two periods.

Mountsorrel United Charities
(Registration number: 1027652)
Balance Sheet as at 31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	12	578	916
Investments	13	<u>13,749,377</u>	<u>12,672,502</u>
		<u>13,749,955</u>	<u>12,673,418</u>
Current assets			
Debtors	14	31,951	36,657
Cash at bank and in hand		<u>618,096</u>	<u>581,007</u>
		650,047	617,664
Creditors: Amounts falling due within one year	15	<u>(579,933)</u>	<u>(653,478)</u>
Net current assets/(liabilities)		<u>70,114</u>	<u>(35,814)</u>
Net assets		<u>13,820,069</u>	<u>12,637,604</u>
Funds of the charity:			
Unrestricted income funds			
Unrestricted funds		<u>13,820,069</u>	<u>12,637,604</u>
Total funds	16	<u>13,820,069</u>	<u>12,637,604</u>

The financial statements on pages 10 to 25 were approved by the trustees, and authorised for issue on 14 June 2017 and signed on their behalf by:

.....
D B Allard
Trustee

Mountsorrel United Charities

Notes to the Financial Statements for the Year Ended 31 December 2016

1 Accounting policies

Statement of compliance

The financial statements have been prepared in accordance with 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 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Basis of preparation

Mountsorrel United Charities 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 notes.

Exemption from preparing a cash flow statement

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Transition to FRS 102

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was required. The effect of transition from SORP (2005) to SORP (FRS 102) is outlined in note 19.

Income and endowments

Investment income

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Mountsorrel United Charities

Notes to the Financial Statements for the Year Ended 31 December 2016

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Grant provisions

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

Taxation

The charity 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, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets costing £100.00 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Equipment	Straight line basis over 3 years

Investment properties

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually by external valuers. The valuers use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in profit or loss.

Fixed asset investments

Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

Mountsorrel United Charities

Notes to the Financial Statements for the Year Ended 31 December 2016

Trade debtors

are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of is established when there is objective evidence that the will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Mountsorrel United Charities

Notes to the Financial Statements for the Year Ended 31 December 2016

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Mountsorrel United Charities

Notes to the Financial Statements for the Year Ended 31 December 2016

Debt instruments

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

(a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.

(b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.

(c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).

(d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

(e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.

(f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Investments

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

Mountsorrel United Charities

Notes to the Financial Statements for the Year Ended 31 December 2016

Derivative financial instruments

The charity uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements. The charity does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in statement of financial activities immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in statement of financial activities depends on the nature of the hedge relationship.

Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

2 Investment income

	Unrestricted funds	Total 2016	Total 2015
	General £	£	£
Interest receivable and similar income;			
Interest receivable on bank deposits	1,188	1,188	1,257
Other income from fixed asset investments	137,231	137,231	138,469
Income from rents	5,959	5,959	5,473
	<u>144,378</u>	<u>144,378</u>	<u>145,199</u>

3 Expenditure on raising funds

a) Investment management costs

	Unrestricted funds	Total 2016	Total 2015
Note	General £	£	£
Other investment management costs;			
Other portfolio management costs	14,923	14,923	14,396
Costs of rent collection	674	674	657
Property repairs	634	634	418
	<u>16,231</u>	<u>16,231</u>	<u>15,471</u>

Mountsorrel United Charities

Notes to the Financial Statements for the Year Ended 31 December 2016

4 Expenditure on charitable activities

	Unrestricted funds	Total 2016 £	Total 2015 £
	General £		
Grants made	136,759	136,759	110,201
Clerks fees	16,629	16,629	15,042
Sundry expenses	3,118	3,118	2,787
Depreciation of equipment	338	338	26
Insurance	300	300	285
	157,144	157,144	128,341

£157,144 (2015 - £128,341) of the above expenditure was attributable to unrestricted funds and £Nil (2015 - £Nil) to restricted funds.

In addition to the expenditure analysed above, there are also governance costs of £3,342 (2015 - £6,595) which relate directly to charitable activities. See note 5 for further details.

5 Analysis of governance and support costs

Governance costs

	Unrestricted funds	Total 2016 £	Total 2015 £
	General £		
Audit fees			
Audit of the financial statements	-	-	2,136
Other fees paid to auditors	-	-	804
Independent examiner fees			
Examination of the financial statements	1,560	1,560	-
Other fees paid to examiners	1,380	1,380	-
Legal fees	402	402	3,655
	3,342	3,342	6,595

Mountsorrel United Charities

Notes to the Financial Statements for the Year Ended 31 December 2016

6 Grant-making

Analysis of grants

	Grants to individuals	
	2016	2015
	£	£
Analysis		
Hugh Phipps	-	690
Relief in Need - Floorcovering	13,021	9,228
Relief in Need - Bedding & Furniture	20,982	7,040
Relief in Need - Domestic Appliances	15,326	8,346
Relief in Need - Wheel Chairs	3,945	8,430
Relief in Need - Medical Supplies	-	950
Relief in Need - Age Concern	6,900	6,900
Relief in Need - House Decoration	6,835	5,422
Relief in Need - Piper Lifeline	2,350	2,669
Relief in Need - Gardening	18,153	13,088
Relief in Need - Mountsorrel Day Centre	18,530	18,798
Relief in Need - Playschool Fees	-	655
Relief in Need - Footcare/chiroprody	7,763	9,800
Relief in Need - Travelling expenses	1,306	226
Relief in Need - Misc	10,238	6,959
Relief in Need - Spectacles	410	-
Relief in Need - Sorrel Youth Cafe	11,000	11,000
	<u>136,759</u>	<u>110,201</u>

The support costs associated with grant-making are £Nil (31 December 2015 - £Nil).

7 Net incoming/outgoing resources

Net outgoing resources for the year include:

	2016	2015
	£	£
Audit fees	-	2,136
Profit on disposal of investments	(87,951)	(12,400)
Depreciation of fixed assets	338	26
	<u>338</u>	<u>26</u>

Mountsorrel United Charities

Notes to the Financial Statements for the Year Ended 31 December 2016

8 Trustees remuneration and expenses

During the year the charity made the following transactions with trustees:

D B Allard

D B Allard received remuneration of £Nil (2015: £Nil) and £20 (2015: £20) of expenses were reimbursed to D B Allard during the year.

At the balance sheet date the amount due D B Allard was £Nil (2015: £Nil).

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any other benefits from the charity during the year.

9 Independent examiner's remuneration

	2016 £
Examination of the financial statements	<u>1,560</u>
Other fees to examiners	
All other services	<u><u>1,380</u></u>

10 Auditors' remuneration

	2015 £
Audit of the financial statements	<u>2,136</u>
Other fees to auditors	
All other non-audit services	<u><u>804</u></u>

11 Taxation

The charity is a registered charity and is therefore exempt from taxation.

Mountsorrel United Charities

Notes to the Financial Statements for the Year Ended 31 December 2016

12 Tangible fixed assets

	Furniture and equipment £	Total £
Cost		
At 1 January 2016	1,478	1,478
Disposals	<u>(536)</u>	<u>(536)</u>
At 31 December 2016	<u>942</u>	<u>942</u>
Depreciation		
At 1 January 2016	562	562
Charge for the year	338	338
Eliminated on disposals	<u>(536)</u>	<u>(536)</u>
At 31 December 2016	<u>364</u>	<u>364</u>
Net book value		
At 31 December 2016	<u>578</u>	<u>578</u>
At 31 December 2015	<u>916</u>	<u>916</u>

13 Fixed asset investments

	2016 £	2015 £
Investment properties	1,050,000	1,140,000
Other investments	<u>12,699,377</u>	<u>11,532,502</u>
	<u>13,749,377</u>	<u>12,672,502</u>

Mountsorrel United Charities

Notes to the Financial Statements for the Year Ended 31 December 2016

Investment properties

	Investment properties £
Cost or Valuation	
At 1 January 2016	1,140,000
Disposals	<u>(90,000)</u>
At 31 December 2016	1,050,000
Provision	
At 31 December 2016	<u>-</u>
Net book value	
At 31 December 2016	<u>1,050,000</u>
At 31 December 2015	<u>1,140,000</u>
The valuation of the investment property was undertaken by the trustees on a similar basis to the last professional valuation.	

Mountsorrel United Charities

Notes to the Financial Statements for the Year Ended 31 December 2016

Other investments

	Listed investments £	Unlisted investments £	Total £
Cost or Valuation			
At 1 January 2016	4,995,008	6,537,494	11,532,502
Revaluation	584,402	542,451	1,126,853
Additions	1,021,350	99,209	1,120,559
Disposals	<u>(963,417)</u>	<u>(117,120)</u>	<u>(1,080,537)</u>
At 31 December 2016	<u>5,637,343</u>	<u>7,062,034</u>	<u>12,699,377</u>
Net book value			
At 31 December 2016	<u>5,637,343</u>	<u>7,062,034</u>	<u>12,699,377</u>
At 31 December 2015	<u>4,995,008</u>	<u>6,537,494</u>	<u>11,532,502</u>

The historical cost of the investments as at 31 December 2016 was £11,205,213 (2015: £11,194,305).

14 Debtors

	2016 £	2015 £
Other debtors	<u>31,951</u>	<u>36,657</u>

15 Creditors: amounts falling due within one year

	2016 £	2015 £
Other creditors	565,329	643,794
Accruals	<u>14,604</u>	<u>9,684</u>
	<u>579,933</u>	<u>653,478</u>

16 Funds

	Balance at 1 January 2016 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 December 2016 £
Unrestricted funds					
General	<u>(12,637,604)</u>	<u>(232,329)</u>	<u>176,717</u>	<u>(1,126,853)</u>	<u>(13,820,069)</u>

Mountsorrel United Charities

Notes to the Financial Statements for the Year Ended 31 December 2016

17 Analysis of net assets between funds

	Unrestricted funds General £	Total funds £
Tangible fixed assets	578	578
Fixed asset investments	13,749,377	13,749,377
Current assets	650,047	650,047
Current liabilities	<u>(579,933)</u>	<u>(579,933)</u>
Total net assets	<u>13,820,069</u>	<u>13,820,069</u>

18 Related party transactions

During the year the charity made the following related party transactions:

Mountsorrel Church of England Fund

Four of Mountsorrel Church of England Fund's Trustees are appointed by Mountsorrel United Charities.

During the year, Mountsorrel United Charities allocated Mountsorrel Church of England Fund investment income of £138,728 (2015: £140,452) and rental income of £5,959 (2015: £5,473) and incurred expenditure of £19,208 (2015: £18,535). At the balance sheet date the amount due to Mountsorrel Church of England Fund was £412,880 (2015 - £506,906).

Mountsorrel Educational Fund

D B Allard, F L Newitt, Rev C E Resch and L A Tyman are Trustees of Mountsorrel Educational Fund.

Mountsorrel United Charities allocated Mountsorrel Educational Fund investment income of £137,315 (2015: £138,539) and rental income of £5,959 (2015: £5,473) and incurred expenditure of £19,222 (2015: £18,574). At the balance sheet date the amount due to Mountsorrel Educational Fund was £152,449 (2015 - £136,888).

Mountsorrel United Charities

Notes to the Financial Statements for the Year Ended 31 December 2016

19 Transition to FRS 102

The charity has adopted the SORP (FRS 102) for the first time in the year ended 31st December 2016.

Statement of Financial Activities for the year ended 31 December 2015

	Note	As originally reported £	Reclassification £	Remeasurement £	As restated £
Income and Endowments from:					
Investment income		139,726	5,473	-	145,199
Other income		17,873	(17,873)	-	-
Total income		<u>157,599</u>	<u>(12,400)</u>	<u>-</u>	<u>145,199</u>
Expenditure on:					
Raising funds		(14,396)	(1,075)	-	(15,471)
Charitable activities		(132,375)	(2,561)	-	(134,936)
Other expenditure		(3,636)	3,636	-	-
Total expenditure		(150,407)	-	-	(150,407)
Gains/(losses) on investments		(418,669)	12,400	-	(406,269)
Net expenditure		<u>(411,477)</u>	<u>-</u>	<u>-</u>	<u>(411,477)</u>
Net movement in funds		<u>(411,477)</u>	<u>-</u>	<u>-</u>	<u>(411,477)</u>