

CHARITY COMMISSION
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Mercury Phoenix Trust

Report and Financial Statements

For the year ended

31 March 2016

Charity Registration No. 1013768

Mercury Phoenix Trust

Report and FINANCIAL STATEMENTS

For the year ended 31 March 2016

Charity registration number: 1013768

Trustees: M Austin
H J Beach
B H May
R M Taylor

Correspondence address: PO Box 704
Chesham
Bucks
HP5 1XF

Bankers: Coutts & Co
440 Strand
London
WC2R 0QS

Independent Examiner: Grant Thornton UK LLP
Statutory Auditor
Chartered Accountants
1020 Eskdale Road
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Wokingham
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Mercury Phoenix Trust

Report and FINANCIAL STATEMENTS

For the year ended 31 March 2016

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Mercury Phoenix Trust

Trustees' Report

The Trustees present their report together with financial statements for the year ended 31 March 2016.

Reference and administrative details

Mercury Phoenix Trust is registered as a charity under the Charities Act 2011. Its charity registration number is 1013768. Details of the principal office are set out on the first page to these financial statements. Day to day management of the finances of the charity is delegated by the Trustees to the administrator, Peter Chant.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities published on 16 July 2014.

Trustees

The Trustees of Mercury Phoenix Trust throughout the year ended 31 March 2016 were:

M Austin
H J Beach
B H May
R M Taylor

Structure, governance and management

The charity is constituted as a trust under a Trust deed dated 29 July 1992.

The power to appoint and remove Trustees is vested in the Trustees and exercised by deed. A Trustee may retire by notice in writing. The number of Trustees shall be not less than three nor more than four and in the event of their number falling below three, such additional Trustees or Trustee shall forthwith be appointed as shall be necessary to make their number up to a maximum of four.

The Trustees are responsible for authorising grant payments, for ensuring all grants are made in pursuance of the objectives of the Trust and for ensuring the objectives of the Trust are met.

The Trustees are responsible for identifying and reviewing the major risks to which the Trust is exposed and confirm that, as far as is possible given the nature of the grant payments and locations to which they are made, arrangements have been established to mitigate those risks.

Objectives, policies and activities for the public benefit

The objectives of the Trust are to help relieve poverty, sickness and distress of people with Acquired Immune Deficiency Syndrome (AIDS) and Human Immune-deficiency Virus (HIV) and to stimulate awareness and education in connection with these conditions throughout the world through the awarding of grants which are considered to be in accordance with the Trust's objectives. The Trust has established its grant making policy to achieve these stated objectives for the public benefit. The Trustees confirm that they have referred

Mercury Phoenix Trust

Trustees' Report

to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's objectives in planning its future activities and agreeing its grant making policy for the year.

During the year, the Trust continued to award grants to qualifying recipients; the direct beneficiaries of our grant making policy are entities, charities and other bodies which have themselves been established to aid the fight against AIDS and HIV and hence the ultimate beneficiaries of grants made by the Trust are considered to be AIDS and HIV sufferers and those at risk of developing these diseases in the future.

All income received by the Trust in respect of gift aid receipts and donations from both institutions and individuals, and investment income is held by the Trust for distribution through grants.

The Trustees consider grant applications that are in accordance with the stated objectives of the Trust on the basis of need from institutions and similar bodies on a worldwide basis and make payments in respect of certain of those claims that they consider to be in pursuance of the Trust's objectives.

Historically, the Trust has not maximised grant payments as it has sought to spread its activities more evenly and over a greater number of years than its income profile would prima facie permit.

A review of our achievements and performance

During the year, donations of £153,973 (2015: £319,553) were made to charities and similar bodies whose objectives promote awareness of, and the fight against, AIDS. There was a surplus for the year of £198,116 (2015: £148,752).

The Trustees are pleased with the Trust's performance during the year and believe its consistent awarding of grants to entities and bodies which are seeking to help relieve poverty, sickness and distress of people with AIDS and HIV demonstrates a public benefit.

The Trustees measure the performance of the Trust by assessing the value and nature of grants awarded during the financial year. The Trustees consider the value and nature of grants awarded this year to be appropriate and consistent with the objectives of the Trust.

Financial review

The Trustees aim to maintain a level of reserves at least equivalent to approximately 3-4 years worth of grant payments in order to allow the Trust to continue in existence for the foreseeable future in the event that no further income is received. The Trustees regard this as being in the best long term interests of the current and future beneficiaries.

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

Mercury Phoenix Trust

Trustees' Report

Financial risk management objectives and policies

The Trustees have assessed the financial risk management objectives and policies of the Trust. The exposure of the Trust to price risk, credit risk, liquidity risk and cash flow risk is considered not material for the assessment of the assets, liabilities, financial position and surplus of the Trust.

Plans for future periods

The Trustees aim to achieve the Trust's long-term objectives of assisting in the relief of poverty, sickness and distress of people with AIDS and HIV through the continued awarding of grants to worthy recipients but this is subject to continued receipts of donations, etc.

Investment policy and performance

Given the short-term nature of the Trust's grant-making activities, the Trustees have decided to invest immediately any surplus funds in UK-based deposit accounts with a reputable bank.

The deposit accounts offer security and ease of access to funds, together with a market-based interest rate.

Key management personnel remuneration

The trustees consider the board of trustees and the administrator as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis. All trustees give of their time freely and no trustee remuneration or expenses were paid in the year (2015: £nil).

Trustees' responsibilities for the financial statements

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

The law applicable to charities in England and Wales requires the charity trustees to prepare financial statements for each 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 the 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 judgments and accounting 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

Mercury Phoenix Trust

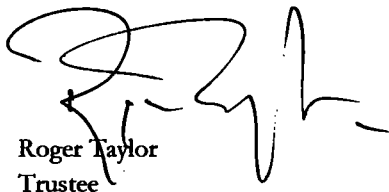
Trustees' Report

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to 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 Trust deed. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

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

Approved by the trustees on 29 July 2016 and signed on their behalf by:



Roger Taylor
Trustee

Independent examiner's report to the trustees of Mercury Phoenix Trust

I report on the accounts of Mercury Phoenix Trust for the year ended 31 March 2016, which are set out on pages 8 to 14. Your attention is drawn to the fact that the charity's trustees have prepared the charity's accounts in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (the FRSSE) (effective 1 January 2015)' issued in May 2014 in preference to the Statement of Recommended Practice 'Accounting and Reporting by Charities: Statement of Recommended Practice (revised 2005)' issued in April 2005 which is referred to in the Charities (Accounts and Reports) Regulations 2008 but has since been withdrawn. I understand that the charity's trustees have done this in order for the charity's accounts to give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

This report is made solely to the charity's trustees, as a body, in accordance with the regulations made under section 154 of the Charities Act 2011. My work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for my work, for this report, or for the opinions I have formed.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants in England and Wales.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act 2011;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the Charities Act 2011; 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 comparison of the accounts with the accounting records kept by the charity. 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 statement below.

Independent examiner's statement

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

- 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 Charities Act 2011;have not been met; or
- to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Grant Thornton UK LLP

Amrish Shah, FCA
Grant Thornton UK LLP
Chartered Accountants
Reading

5 September 2016

Mercury Phoenix Trust

Principal Accounting Policies

Basis of preparation

The accounts (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 for Smaller Entities published on 16 July 2014, the Financial Reporting Standard for Smaller Entities (FRSSE), and the Charities Act 2011 and applicable regulations.

The accounts have been prepared under the historical cost convention with items recognised at cost.

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

Voluntary income

Donations, fundraising income from events and similar income are included in full in the statement of financial activities when receivable, provided there are no donor imposed restrictions as to the timing of the related expenditure in which case recognition is deferred until the pre-condition has been met.

Investment income

Investment income is comprised of bank interest receivable and is accounted for on the accruals basis.

Charitable activities

Grants disbursed represent monies paid out at the Trustees' direction to charitable causes. Grants are recognised when irrevocably committed to the recipient. Support costs in respect of charitable activities are charged on the accruals basis.

Costs of generating voluntary income

Costs of generating voluntary income comprise fundraising and events costs.

Other expenses

Other expenses incurred by the Trust are in respect of the costs of generating voluntary income and governance costs, and are charged on the accruals basis.

Governance costs

Governance costs include the costs attributable to the Trust's compliance with constitutional and statutory requirements, including audit, and strategic management and Trustees' meetings.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into Sterling at the rate ruling on the date of the transaction. Exchange gains and losses are recognised in the Statement of Financial Activities.

Mercury Phoenix Trust

Principal Accounting Policies

Recognition of liabilities

Liabilities are recognised when there is a legal or constructive obligation that commits the Trust to expenditure.

Unrestricted funds

Unrestricted funds represent resources which can be spent at the discretion of the Trustees in furtherance of any of the charity's objects.

Restricted funds

Restricted funds represent resources received by the Trust for the creation of the Queen Studio Experience Montreux. The Queen Studio Experience is a permanent exhibition established in what was the recording studio in Montreux once owned by the band.

Irrecoverable VAT

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

Mercury Phoenix Trust

Statement of Financial Activities

For the year ended 31 March 2016

	Note	Unrestricted funds 2016 £	Total funds 2015 £
Incoming resources			
Incoming resources from generated funds:			
Voluntary income	2	311,200	495,550
Freddie for a day event income		93,059	20,900
The Studio Experience Montreux income		30,969	6,367
		<u>435,228</u>	<u>522,817</u>
Activities for generating funds			
Investment income		3,700	4,122
Total incoming resources		<u>438,994</u>	<u>524,939</u>
Costs of fundraising activities			
Freddie for a day event costs		37,542	20,173
The Studio Experience costs		26,094	372
Resources expended			
Costs of generating voluntary income	3	700	344
Charitable activities	4	156,453	335,727
Governance costs	5	20,089	19,571
Total resources expended		<u>240,878</u>	<u>376,187</u>
Net incoming resources for the year		198,116	148,752
Balance brought forward at 1 April 2015		<u>1,693,300</u>	<u>1,544,548</u>
Balance carried forward at 31 March 2016		<u>1,891,416</u>	<u>1,693,300</u>

All of the activities of the charity are classed as continuing.

There were no other recognised gains or losses other than the net incoming resources in the financial year.

The accompanying accounting policies and notes form an integral part of these financial statements.

Mercury Phoenix Trust

Balance Sheet at 31 March 2016

	2016	2015
	£	£
Current assets		
Cash balances:		
Current account	3,100	3,273
Deposit account	1,655,734	1,553,083
US dollar account	52,038	55,677
Euro account	79,097	28,119
90 day account	869	-
Swiss account	102,158	2,999
Swiss Franc account	6,072	56,288
	<u>1,899,068</u>	<u>1,699,439</u>
Debtors: other debtors	1,548	-
Debtors: prepayments and accrued income	687	-
	<u>1,901,303</u>	<u>1,699,439</u>
Creditors: amounts falling due within one year		
Accruals	(9,887)	(6,139)
	<u>(9,887)</u>	<u>(6,139)</u>
Net current assets	<u>1,891,416</u>	<u>1,693,300</u>
Funds		
Unrestricted	1,891,416	1,693,300
Restricted	-	-
Total charity funds	<u>1,891,416</u>	<u>1,693,300</u>

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

28 July 2016



Roger Taylor
Trustee

Charity number: 1013768

Mercury Phoenix Trust

Notes to the financial statements

1 Transactions with related parties

No Trustees or companies where a Trustee was a Director received any remuneration or expenses during the year (2015: £Nil).

B H May and R M Taylor, who are also Trustees of the Trust, are both directors and shareholders of Queen Productions Limited, a company which made gift aid payments to the Trust amounting to £26,845 during the year (2015: £218,336).

B H May, R M Taylor and H J Beach, who are Trustees of the Trust, are also directors of Tonleigh Limited, a company which made gift aid payments to the Trust amounting to £52,500 during the year (2015: £111,250).

Total remuneration paid to key management personnel was £16,536 (2015: £16,980).

2 Voluntary income

	2016	2015
	£	£
Gift aid	79,345	329,586
Other donations	231,855	165,964
	<u>311,200</u>	<u>495,550</u>

The trustees identified that the comparative split in voluntary income between Gift aid and other donations was incorrect and so have restated this in this in the note above.

3 Cost of generating funds: voluntary income

	2016	2015
	£	£
Volunteer expenses	700	344
	<u>700</u>	<u>344</u>

Mercury Phoenix Trust

Notes to the financial statements

4 Cost of generating funds: charitable activities

4.1 Charitable activities

	2016	2015
	£	£
Grant payments (see 4.2 below)	153,973	319,553
Returned grants	(5,950)	-
Support costs:		
Grant appraisal services	16,306	15,719
Bank charges	463	391
Exchange (gain)/ loss	(13,339)	(4,942)
Legal, stationary and administration	5,000	5,000
	<u>8,430</u>	<u>16,174</u>
	<u>156,453</u>	<u>335,727</u>

4.2 Grant payments

Grants have been made to the following institutions during the year, in pursuance of the Trust's objectives. All donations were made from the United Kingdom.

Institution	Country in which donation will be used	2016 £
Better Livelihoods Community Program	Kenya	4,700
Bible Society UK	Tanzania	5,000
Concord Trust	India	2,079
DHIVERSE	UK	500
Global Action	Ghana	3,000
Gramodaya Rural Development Society	India	3,693
Holy Cross	India	2,216
International Children's Trust	India	5,000
Makkal Vilupunarvu Kalvi Sangam	India	1,025
Mith Samlanh	Cambodia	7,013
Mith Samlanh	Cambodia	2,786
Mithra Foundation	India	1,125
People's Organisation for Welfare & Education	India	2,130

Mercury Phoenix Trust

Notes to the financial statements

Institution	Country in which donation will be used	2016 £
Amount brought forward:		40,277
Prerana	Nepal	7,500
Prerana	Nepal	5,756
Relief Educational Development International	Zambia	4,653
Relief Educational Development International	Russia	3,219
Relief Educational Development International	India	5,000
Restless Development	Tanzania	8,000
Rural Consciousness Unit	Bagladesh	5,000
SAI Educational Rural & Urban Development	India	4,000
SAWED Trust	India	2,500
Skillshare International	Mozambique	3,000
Skillshare International	Burkina Faso	5,000
Snehalaya	India	25,000
Society for Education & Rural Development	India	1,697
The Friends of H.O.P.E.	India	5,000
The Oasis Centre	Kenya	5,000
Theatre for a Change	Malawi	5,000
Viva Network UK	Zimbabwe	3,000
VSO UK	Lesotho	5,000
Zamuxolo Orphanage	South Africa	8,000
Alongside You	UK	1,500
Other grants made under £500	UK	881
		153,973

5 Governance costs

	2016 £	2015 £
Audit fees	3,553	2,591
Management services	16,536	16,980
	20,089	19,571

The Trust has no direct employees (2015: Nil).