

**Mercury Phoenix Trust**  
**Report and Financial Statements**  
**For the year ended**  
**31 March 2017**

Charity Registration No.1013768

**Mercury Phoenix Trust**

**Report and FINANCIAL STATEMENTS**

**For the year ended 31 March 2017**

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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  
Winnersh  
Wokingham  
Berkshire  
RG41 5TS

Mercury Phoenix Trust

Report and FINANCIAL STATEMENTS

For the year ended 31 March 2017

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## Mercury Phoenix Trust

### Trustees' Report

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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.

The accounts are prepared in £ Sterling and rounded to the nearest £.

#### Trustees

The Trustees of Mercury Phoenix Trust throughout the year ended 31 March 2017 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 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.

## Mercury Phoenix Trust

### Trustees' Report

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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.

The trustees take a long term view and plan on the basis that the trust aims are better served by making grants at a steady level year by year rather than increasing distributions when income is high and reducing distributions when income is low. This is the policy they have followed from inception and will probably continue with this for the foreseeable future if not longer.

#### A review of our achievements and performance

During the year, donations of £391,681 (2016: £153,973) 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 £4,364 (2016: £198,116).

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.

#### 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.

## Mercury Phoenix Trust

### Trustees' Report

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#### 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 (2016: £nil).

#### Trustees' responsibilities for the financial statements

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

The Charities Act 2011 requires the trustees to prepare financial statements for each financial year. The trustees have to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. 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 charity and of the incoming resources and application of resources, including the income and expenditure, 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 (FRS 102);
- make judgments and accounting 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;
- 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 adequate accounting records that are sufficient to show and explain the charity's transactions and 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 Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They 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.

## Mercury Phoenix Trust


### Trustees' Report

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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 20 - 9 - 2017 and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'Roger Taylor', followed by a horizontal line.

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 2017, which are set out on pages 8 to 15. 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 preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) 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 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.



**Mark Bishop, ACA**

Grant Thornton UK LLP

Chartered Accountants

Oxford

27 SEPTEMBER 2017

**Basis of preparation**

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The trust constitutes a public benefit entity as defined by FRS 102.

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

**Reconciliation with previous Generally Accepted Accounting Practice**

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 needed. No restatements were required.

The principal accounting policies of the Trust 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.

## **Mercury Phoenix Trust**

### **Principal Accounting Policies**

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#### **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.

#### **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 2017

	Note	Unrestricted funds 2017 £	Total funds 2016 £
<b>Incoming resources</b>			
Incoming resources from generated funds:			
Voluntary income	2	302,987	311,200
Freddie for a day event income		151,859	93,059
The Studio Experience Montreux income		24,343	30,969
		<u>479,188</u>	<u>435,228</u>
<b>Activities for generating funds</b>			
Interest income		2,408	3,766
		<u>481,596</u>	<u>438,994</u>
<b>Total incoming resources</b>			
<b>Costs of fundraising activities</b>			
Freddie for a day event costs		62,482	37,542
The Studio Experience costs		4,693	26,094
<b>Resources expended</b>			
Costs of generating voluntary income	3	622	700
Charitable activities	4	386,755	156,453
Governance costs	5	22,680	20,089
		<u>477,232</u>	<u>240,878</u>
<b>Total resources expended</b>			
<b>Net incoming resources for the year</b>			
		4,364	198,116
Balance brought forward at 1 April 2016		<u>1,891,416</u>	<u>1,693,300</u>
Balance carried forward at 31 March 2017		<u>1,895,781</u>	<u>1,891,416</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 2017

	2017 £	2016 £
<b>Current assets</b>		
Cash balances:		
Current account	3,100	3,100
Deposit account	1,875,451	1,655,734
US dollar account	35,850	52,038
Euro account	64,066	79,097
90 day account	1,154	869
Swiss account	15,956	102,158
Swiss Franc account	32,881	6,072
	<u>2,028,458</u>	<u>1,899,068</u>
Debtors: other debtors	-	1,548
Debtors: prepayments and accrued income	<u>4,004</u>	<u>687</u>
	<u>2,032,462</u>	<u>1,901,303</u>
<b>Creditors: amounts falling due within one year</b>		
Grant Payable	(132,381)	-
Accruals	<u>(4,300)</u>	<u>(9,887)</u>
	<u>(136,681)</u>	<u>(9,887)</u>
<b>Net current assets</b>	<u>1,895,781</u>	<u>1,891,416</u>
<b>Funds</b>		
Unrestricted	1,895,781	1,891,416
Restricted	<u>-</u>	<u>-</u>
<b>Total charity funds</b>	<u>1,895,781</u>	<u>1,891,416</u>

The financial statements were approved and authorised for issue by the Trustees on 20 Sep 2017 and signed on their behalf by:



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 (2016: £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 £23,917 during the year (2016: £26,845).

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 £94,500 during the year (2016: £52,500).

Total remuneration paid to key management personnel was £19,200 (2016: £16,536).

### 2 Voluntary income

	2017	2016
	£	£
Gift aid	118,417	79,345
Other donations	184,570	231,855
	<u>302,987</u>	<u>311,200</u>

### 3 Cost of generating funds: voluntary income

	2017	2016
	£	£
Volunteer expenses	622	700
	<u>622</u>	<u>700</u>

# Mercury Phoenix Trust

## Notes to the financial statements

### 4 Cost of generating funds: charitable activities

#### 4.1 Charitable activities

	2017 £	2016 £
Grant payments (see 4.2 below)	391,681	153,973
Returned grants	-	(5,950)
Support costs:		
Grant appraisal services	15,566	16,306
Bank charges	375	463
Exchange (gain)/ loss	(25,867)	(13,339)
Legal, stationary and administration	5,000	5,000
	(4,926)	8,430
	<u>386,755</u>	<u>156,453</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	2017 £
A Second Chance	Kenya	5,000
Advantage Africa	Kenya	8,000
Alongside You	UK	1,000
Azafady	Madagascar	10,000
BGM Social Service Centre	India	2,250
Cecily's Fund UK	Zambia	6,500
Child Link Foundation	Uganda	5,000
Chiva Africa UK	South Africa	10,000
Christian Aid	Myanmar	10,000
Christian Aid/Metta Development Foundation	Myanmar	10,000
Community Action for Rural Development	India	2,927
Community Oriented Rehabilitation Assoc	India	11,766
Deepam Trust	India	2,156
DELADEM	Ghana	7,000
Deva Organisation Rural Development Society	India	4,220
Fountain Youth Group	Kenya	6,000
Gania Sishu Rajja	India	4,140
Health Poverty Action UK	Myanmar	5,000

# Mercury Phoenix Trust

## Notes to the financial statements

Hillcrest Aids Centre	South Africa	5898
Hillcrest Aids Centre Trust	South Africa	5000
ICOWES	South Sudan	5000
Institute for Social Awareness and Rural Development	India	1219
Integrated Rural Development	India	1854
Integrated Rural Women Education & Development	India	2816
Jawahar Rural People's Development Society	India	2232
Kaloko Trust	Zambia	4800
Karunamayi Mmahila Mandali	India	2865
Kisumu Disabled Self Help Group	Kenya	6532
Maternal & Child Advocacy International	Cameroon	7390
Medical Action	Myanmar	18009
Mith Samlanh	Cambodia	12214
Murua Girl Child Education Prog	Kenya	6000
Nari Unnayan Sangstha	Bangladesh	5000
Nava Drshini Mahila Samajam	India	4000
People's Organisation for Welfare & Education	India	2500
Plan UK	Uganda	10000
Prerana	Nepal	5000
Project Hope UK	South Africa	4575
Relief Education Development international	India	5000
Relief Education Development International UK	Zambia	6000
Restless Development	Tanzania	32000
Retrak UK	Uganda	7376
Rural People's Development Society	India	3782
SAWED trust	India	4289
Sentebale	Lesotho	5000
Snehalaya	India	10000
Society for rural health & development	India	2252
Social Welfare Organisation Trust	India	2213
Society for Mobilisation & integrated livelihood	India	4285
Society for Nature Education & Health	India	7592
Society for Nature Education and Health	India	7984
Starfish Greathearts Foundation	South Africa	6629
TEMWA	Malawi	8000
Theatre for a change	Malawi	7500
Viva Network	Zimbabwe	5000
Waterberg Welfare Society	South Africa	7500
Women Action Group	India	5585
Women for Women	India	3000
World Medical Fund for Children UK	Malawi	10000
Youth for Positive Change	Malawi	6148
Zamuxolo Orphanage	South Africa	10000
Under £500	UK	683
		391,681



## Mercury Phoenix Trust

### Notes to the financial statements

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#### 5 Governance costs

	2017	2016
	£	£
Independent examination fees	3,480	3,553
Management services	19,200	16,536
	<u>22,680</u>	<u>20,089</u>

The Trust has no direct employees (2016: Nil).

#### 6 FRS 102 Transition

The trust has noted that there have been no change to their accounts from the transition to FRS102