

Charity Registration No. 1078271

Company Registration No. 03761954 (England and Wales)

LEICESTER CHARITY ORGANISATION SOCIETY

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2017

CHARITY COMMISSION
FIRST CONTACT

01 DEC 2017

ACCOUNTS
RECEIVED

**SOMERBYS LIMITED
CHARTERED ACCOUNTANTS
30 NELSON STREET
LEICESTER
LE1 7BA**

LEICESTER CHARITY ORGANISATION SOCIETY

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LEGAL AND ADMINISTRATIVE DETAILS

Trustees	R J Hudson A H Jarvis (<i>Treasurer</i>) Miss C Pharoah C T Saul (<i>appointed 28/4/17</i>) Prof S M Sharma (<i>appointed 1/8/17</i>) C E Shevas (<i>appointed 9/5/17</i>) C E Smith (<i>Chairman</i>)
Secretary and Director of Operations	A J Munton
Director of Marketing and Fundraising	Miss S McEniff
Charity number	1078271
Company number	03761954
Registered office and principal address	20a Millstone Lane Leicester LE1 5JN
Auditor	Somerbys Limited Chartered Accountants Statutory Auditor 30 Nelson Street Leicester LE1 7BA
Bankers	Lloyds Bank plc 7 High Street Leicester LE1 9FS
Investment advisors	Rowley-Turton (IFA) Limited Charnwood House Harcourt Way Meridian Business Park Leicester LE19 1WP

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2017

Administration Details

Leicester Charity Organisation Society, known as Leicester Charity Link, is a registered Charity and a Company limited by guarantee. The liability of members is limited to £1.00 per member in the event of winding up. Its registered office is as shown on Page 1.

The Directors, who act as Trustees, are shown on Page 1 together with the names of the principal external advisors.

Structure, Governance and Management

The governing document of the Charity is the Memorandum and Articles of Association incorporated on 28 April 1999 and amended by a special resolution on 30 October 2006.

Organisation

A board of Trustees, who meet quarterly, administer the Charity. A Director of Operations and a Director of Marketing and Fundraising are appointed by the Trustees to manage the day-to-day operations of the Charity.

Policies and procedures for induction and training of Trustees

New Trustees are appointed in accordance with the organisation's Articles of Association. They are also encouraged to meet with the Chairman, Director of Operations and Director of Marketing and Fundraising at the Charity's offices where they are provided with background information about the work carried out and introduced to the staff and volunteers. New Trustees are also offered training through local agencies in the role and responsibility of Trustees and good governance. An induction pack is given to each new Trustee containing the organisation's Memorandum and Articles of Association, together with information on the duties of Trustees and the latest published accounts and annual report.

Related parties

The Charity has common key personnel with R Daphne Plunket Charitable Trust, Leicester Indigent Old Age Society, Head Start Trust and the Mansion Trust (UK). Leicester Charity Link administers these charities. All other related parties and transactions can be found in note 18 of the Financial Statements.

Risk factors

The Trustees have continued to assess the major risks to which the Charity is exposed, and are satisfied that systems are in place to mitigate exposure to those risks.

Objectives and Activities

The Charity's objects are to relieve poverty and the distress arising therefrom, in particular, but not exclusively, by:

- the provision of charitable and other grants;
- the provision of welfare benefits and budgeting advice;
- the provision of information and training for other agencies regarding welfare benefit claims;
- the provision of services (including trust administration) to assist charities in conducting their affairs;
- to facilitate co-operation between charities and other welfare agencies;
- to influence social policy makers and service providers.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017**

Charity's aims

Leicester Charity Link's aim is to help ameliorate the lives of those people that are disadvantaged by financial hardship through the distribution of charitable grants and other services. The Charity provides an expert gateway to enable these people to access grants from the vast array of occupational, illness related and benevolent funds across the UK that are available to help people in need.

Strategies to achieve main objectives for the year

The strategies employed to assist the Charity to meet these objectives include the following:

- providing charitable grants to individuals in need
- providing charitable grants to projects working with disadvantaged people
- working in partnership with other agencies to maximise financial help available to beneficiaries

Grant making policy

The Charity receives referrals from health, social care and educational agencies, charities and individuals. It raises grants to meet the needs of the most needy and vulnerable people in the community by raising funding from local and national charities and benevolent funds.

Public benefit

The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit.

They have referred to that guidance when reviewing aims and objectives and in planning future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set. The Trustees ensure that these activities are carried out for the public benefit by delivering services that are valued by the people we support and enable those with responsibility in the sector to develop and adopt best practice, thereby promoting a transparent and efficiently managed charity that engenders public confidence and trust.

Achievements and Performance*Fundraising activities*

A fundraising target of £170,000 for the general administration of the Charity was set for the year and this was achieved. Expenditure for future income generation included the printing of publicity material for fundraising purposes and various promotional activities.

Achievement of objectives

In order to achieve our objectives, the financial stability of the Charity needs to be sustained whilst at the same time meeting an increased demand for help from service users; this has been the principal focus of the Trustees over the last year. In the year, grants totalling £968,028 were secured (either through the charity or directly to the beneficiary) to help disadvantaged individuals and families, and institutions working with such people. In achieving this objective, the factors inside the control of the Charity are performances against targets for funding received under service agreements with the local authorities and Clinical Commissioning Groups, maintaining service standards for trusts under our administration and the continued development of our IT systems, in order to reduce core costs, and proactive fundraising. The factors outside of our control are continued insecurity over funding from the local authorities and the Clinical Commissioning Groups, reduced income from donations and trusts as a result of the current economic climate and fluctuations in the stock market.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017**

Investment policy

The Trustees have the power to invest in such assets as they see fit.

As permitted by the Charity's Memorandum and Articles of Association, the Trustees have given the investment advisors discretion to manage the portfolio within an agreed risk profile.

Financial Review*Review of activities*

During the year the Charity had total incoming resources of £1,064,709 (2016: £1,269,026) and there was a net increase in funds of £159,764 (2016: £64,132). The total restricted funds at the end of the period amounted to £286,325 (2016: £161,500), endowment funds amounted to £74,315 (2016: £66,595) and unrestricted funds (not designated for specific purposes) amounted to £42,644 (2016: £20,425). Note 17 to the accounts shows unrestricted fixed assets of £212,500 (2016: £225,000); free reserves, as defined by SORP 2015, were therefore in deficit by £169,856 (2016: £204,575). The charity has adopted the SORP 2015 FRS102 accounting standard in the year; restatements required on conversion are shown in note 1.2.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy, the financial position of the Charity and to enable them to ensure that the Charity complies with the Companies Act 2006. 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.

Reserves policy

It is the policy of the Charity that free reserves should be maintained at a level equivalent to three months unrestricted expenditure. The Trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the Charity's current activities while consideration is given to ways in which additional funds may be raised. The FRS102 requirement to show the long-term pension deficit as a creditor in the accounts has had a detrimental effect on the charity's reserves reducing them below the level set in the reserves policy. However, the charity does have adequate cash to achieve the policy aim and it should be noted that the pension deficit poses no threat to the going concern of the charity as it is covered by a long-term repayment plan and does not affect short term cash flow.

It is the aim of the Charity that a sum be added to a designated property fund in each year that a sufficient operating surplus warrant this. This fund is to be used for the purpose of purchasing freehold office accommodation for the Charity when the lease on its current premises comes to an end in 2034. The Trustees consider that, in this financial year, free reserves are sufficient to allow an amount of £5,000 to be transferred.

Principal funding sources

Aside from funds secured on behalf of service users, the principal sources in the year were income from fundraising and grant aided arrangements with Leicester City Council, Leicestershire County Council and the Clinical Commissioning Groups. Grants were also received from a number of local and national charities to assist with the running costs of the Charity. In meeting the key objectives of the Charity some £525,386 was paid by way of grants to service users and a further 305 grants totalling £233,102 were remitted directly by the donor charity to individual service users following referral by the Charity.

Plans for Future Periods

The Trustees are committed to continue seeking out and giving grants to individuals and institutions, in a similar way to the recent past, and in order to relieve poverty and distress in Leicester, Leicestershire, Northamptonshire and Rutland. They will endeavour to ensure that help is provided across all areas and that no one area will have priority for funding. The Trustees are, however, aware that some groups of beneficiaries remain under-represented in their grant giving and efforts will be made to address this in the coming year. During the year the Charity continued to expand its work in Northamptonshire and it is the intention of the Trustees to undertake similar initiatives in other areas of the East Midlands should the opportunity arise.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017****Statement of Trustees' Responsibilities**

The Trustees (who are also directors of Leicester Charity Organisation Society for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company law 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 Charitable Company and of the incoming resources and application of resources, including the income and expenditure, of the Charitable Company for the year. 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 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 Charitable Company will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charitable Company and hence for 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 Charitable Company's auditor 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.

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

Auditor

A resolution proposing that Somerbys Limited be re-appointed as auditor of the Charity will be put to the Annual General Meeting.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in January 2015) and in accordance with the provisions applicable to companies' subject to the small companies' regime within Part 15 of the Companies Act 2006.

On behalf of the board of Trustees



CE Smith
Chairman

7 November 2017

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF LEICESTER CHARITY ORGANISATION SOCIETY**

We have audited the financial statements of Leicester Charity Organisation Society for the year ended 31 March 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the charitable company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 5, 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees, and, the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2017, and of its 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 (applicable to smaller entities); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF LEICESTER CHARITY ORGANISATION SOCIETY (CONTINUED)**
-----**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; and the Trustees Report has been prepared in accordance with 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 any material misstatements in the Trustees Report.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 exemption in preparing the directors' report and from the requirement to prepare a strategic report.

Martin Jinks FCA (Senior Statutory Auditor)
For and on behalf of Somerbys Limited

7 November 2017

Chartered Accountants
Statutory Auditor

30 Nelson Street
Leicester
LE1 7BA

STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
AT 31 MARCH 2017

	Notes	Unrestricted Funds	Restricted Funds	Designated Funds	Endowment Funds	Total 2017	Total 2016
<u>Income from:</u>							
Voluntary Income	2	282,073	545,129	-	-	827,202	683,763
Administration fees		32,230	-	-	-	32,230	48,750
Investment income	3	12,382	2,598	-	-	14,980	15,239
Incoming resources from charitable activities	4	52,812	137,485	-	-	190,297	521,274
Total income		379,497	685,212	-	-	1,064,709	1,269,026
<u>Expenditure on:</u>							
Raising funds	5	69,957	497	-	-	70,454	68,377
Charitable Activity							
Relief of poverty	5	264,786	559,425	-	-	824,211	1,198,498
Total expenditure		334,743	559,922	-	-	894,665	1,266,875
Realised gain/(loss) on Investment assets		-	-	-	-	-	(5,182)
Unrealised gain/(loss) on investment assets	17	-	-	-	7,720	7,720	1,864
Net income/(expenditure)		44,754	125,290	-	7,720	177,764	(1,797)
Transfers between funds	19	(4,535)	(465)	5,000	-	-	-
		40,219	124,825	5,000	7,720	177,764	(1,797)
Other recognised gains and losses							
Gains/(losses) on revaluation of fixed assets		-	-	-	-	-	198,929
Pension deficit adjustment	13	(18,000)	-	-	-	(18,000)	(97,000)
Net movement in funds		22,219	124,825	5,000	7,720	159,764	100,132
Fund balances at 1 April 2016		20,425	161,500	25,000	66,595	273,520	173,388
Fund balances at 31 March 2017		£42,644	£286,325	£30,000	£74,315	£433,284	£273,520

All income and expenditure is derived from continuing activities. The statement of financial activities includes all gains and losses recognised during the year.

BALANCE SHEET
AT 31 MARCH 2017

	Notes	<u>2017</u>	<u>2016</u>
Fixed assets			
Tangible assets	9	212,500	225,000
Investments	10	72,411	64,691
		<u>284,911</u>	<u>289,691</u>
Current assets			
Debtors	11	66,347	83,039
Cash at bank and in hand		<u>558,738</u>	<u>408,861</u>
		625,085	491,900
Creditors: amounts falling due within one year	12	<u>(170,712)</u>	<u>(182,071)</u>
Net current assets		454,373	309,829
Creditors: amounts falling due after one year	13	<u>(306,000)</u>	<u>(326,000)</u>
Total assets		<u>£433,284</u>	<u>£273,520</u>
Capital fund			
Endowment	15	74,315	66,595
Designated funds	16	30,000	25,000
Income funds			
Restricted funds	14	286,325	161,500
Unrestricted funds		42,644	20,425
		<u>£433,284</u>	<u>£273,520</u>

These accounts were approved by the Trustees on 7 November 2017.

Signed on behalf of the Trustees,



CE Smith
Chairman
 Company Registration No. 03761954

STATEMENT OF CASHFLOWS
YEAR ENDED 31 MARCH 2017

	<u>Notes</u>	<u>2017</u>	<u>2016</u>
Cash flow from operating activities			
Cash generated from operations	21	134,897	(54,095)
Net cash flow from operating activities		134,897	(54,095)
Cash flow from investing activities			
Payments to acquire investments		-	(62,827)
Receipts from sales of investments		-	69,381
Investment income received		14,980	15,235
Net cash flow from investing activities		14,980	21,789
Net increase/(decrease) in cash and cash equivalents		149,877	(32,306)
Cash and cash equivalents at 1 April 2016		408,861	441,167
Cash and cash equivalents at 31 March 2017		<u>£558,738</u>	<u>£408,861</u>
Cash and cash equivalents consists of:			
Cash at bank and in hand		558,738	408,861
Cash and cash equivalents at 31 March 2017		<u>£558,738</u>	<u>£408,861</u>

NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2017

1. Accounting policies

1.1 Basis of preparation

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) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

Leicestershire Charity Organisation Society meets the definition of a public benefit entity under FRS 102 and is registered in England. The charity operates from 20a Millstone Lane, Leicester, LE1 5JN.

The charity constitutes a public benefit entity as defined by FRS102.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity.

1.2 Reconciliation with previous General Accepted Accounting Practice (GAAP).

The charity has adopted SORP 2015 (FRS 102) for the first time this year. The effect of transition from previously GAAP to SORP 2015 (FRS 102) is outlined below.

Reconciliation of net income under previous GAAP to net income under FRS 102

	Note	2016
Net expenditure as previously stated		(39,661)
Pension liability repayments	a)	36,000
Unrealised gain on investments	b)	1,864

Net expenditure under SORP 2015 (FRS 102)		£(1,797)
		=====

Reconciliation of total charity funds

	1 April 2015	31 March 2016
Total charity funds as reported under previous UK GAAP	475,388	636,520
Recognition of pension liability	a) (302,000)	(363,000)
	-----	-----
Total charity funds restated under SORP 2015 (FRS 102)	£173,388	£273,520
	=====	=====

Notes

- a) Under previous GAAP there was no requirement to account for the deficit repayments on a multi-employer defined pension scheme where a charity is unable to identify its share of the assets and liabilities. Under FRS 102, if the charity is making contributions to a deficit even though it does not know its share, it must account for the liability that it is due to pay.
- b) Under previous GAAP investment gains/(losses) were not presented as a component of net income. This is now included as a component of net income under SORP 2015 (FRS 102).

NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2017

1.3 Recognition of income

Donations, legacies and other forms of voluntary income are recognised as incoming resources when receivable, except in so far as they are incapable of financial measurement. Deferred income represents amounts received for future periods and is released to incoming resources in the year for which it has been received.

1.4 Expenditure recognition

All resources expended are accounted for on an accruals basis and have been allocated to the heading that best describes the expenditure incurred, as described below;

Costs of raising funds; which are the costs of generating incoming resources from all sources other than from charitable activities.

Charitable activities; which are all the costs applied by the charity in undertaking its work to meet its charitable objectives.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold property	-	straight line over the period of the lease
Fixtures, fittings & equipment	-	33% per annum of cost

1.6 Investments

Investments are stated at fair value at the balance sheet date. The SOFA includes the net gains and losses arising on revaluations and disposals throughout the year.

1.7 Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

1.8 Pensions

The Charity operates a defined benefit pension scheme for the benefit of its employees which is independently administered by The Pensions Trust. The assets and liabilities of the fund are detailed at note 13.

1.9 Taxation

The Company is a registered charity and thus is exempt from taxation on its income and capital gains.

NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2017

1.9 Funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donors or which have been raised by the Charity for specific purposes. The costs of administering such funds are charged against the specific fund.

Endowment funds are retained for the benefit of the Charity as a capital fund. The fund consists of investments that are used for the purpose of the Charity. Designated funds are unrestricted funds set aside at the discretion of the Trustees for specific purposes.

1.10 Employee Benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the discounted amount expected to be paid in exchange for that service.

1.11 Judgements and key sources of estimation uncertainty

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

Useful economic lives of tangible assets:

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and physical condition of the assets. See accounting policy note (above) for the useful economic lives for each class of assets.

Support cost allocations:

Support costs are apportioned as they relate to more than one cost category (see note 5).

NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2017

2	Voluntary income	Unrestricted funds	Restricted funds	2017	2016
	Core grants	-	544,629	544,629	455,477
	Donations, subscriptions and discounts received	71,909	500	72,409	69,445
	Income from fundraising	209,350	-	209,350	139,467
	Legacies	814	-	814	19,374
		<u>£282,073</u>	<u>£545,129</u>	<u>£827,202</u>	<u>£683,763</u>
3	Investment income	Unrestricted funds	Restricted funds	2017	2016
	Rental income	10,805	-	10,805	11,855
	Income from listed investments	765	2,598	3,363	2,775
	Interest receivable	812	-	812	609
		<u>£12,382</u>	<u>£2,598</u>	<u>£14,980</u>	<u>£15,239</u>
4	Incoming resources from charitable activities				
	Grants receivable for charitable activities			2017	2016
	Unrestricted funds:				
	Leicester City Council			36,777	39,496
	Leicestershire County Council			15,587	15,703
	Hinckley & Bosworth Borough Council			448	153
				<u>£52,812</u>	<u>£55,352</u>
	Restricted funds:				
	Leicester City Council			17,837	60,596
	Leicestershire County Council			4,413	4,296
	Northamptonshire County Council: Sustaining Independent Living Scheme			10,418	44,449
	Leicester / Leicestershire Primary Care Trusts			1,302	10,418
	Hinckley & Bosworth Borough Council			-	722
	Northamptonshire County Council			-	13,800
	Leicester City Council; Community Support Grant Scheme			103,515	331,641
				<u>137,485</u>	<u>465,922</u>
	Total			<u>£190,297</u>	<u>£521,274</u>

NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2017

5 Total resources expended

The trust allocates its support costs as shown in the table below. Support costs are allocated on a basis of staff time.

	Staff Costs (note 7)	Depreciation (note 9)	Other Costs (note 8)	Total 2017	Total 2016
Costs of generating funds:					
Fundraising and publicity	56,574	-	13,880	70,454	68,377
Charitable Activity – Relief of Poverty:					
Grants payable (note 6)	-	-	525,386	525,386	814,395
Employment costs	232,085	-	465	232,550	331,324
Administration costs	4,833	12,500	48,942	66,275	88,779
	<u>236,918</u>	<u>12,500</u>	<u>574,793</u>	<u>824,211</u>	<u>1,234,498</u>
	<u>£293,492</u>	<u>£12,500</u>	<u>£588,673</u>	<u>£894,665</u>	<u>£1,302,875</u>

	2017	2016
6 Grants payable		
Grants to institutions – 7 (2015 – 7 grants)	13,150	2,900
Grants to individuals – 4,425 (2015 – 4,395 grants)	512,236	811,495
	<u>£525,386</u>	<u>£814,395</u>

In addition to the above grants administered through the Society, a further 305 awards totalling £233,102 were secured on behalf of individuals and institutions. These grants were remitted directly by the donors to the beneficiaries.

	<u>2017</u>	<u>2016</u>
7 Employees		
Number of employees		
The average monthly number of employees during the year was:	<u>13</u>	<u>17</u>
Employment costs		
Wages and salaries	258,838	320,263
Social security costs	17,449	18,588
Other pension costs	17,205	16,636
	<u>£293,492</u>	<u>£355,487</u>

No employee earned £60,000 per annum or more. The Charity considers its key management personnel to consist of the Directors of Operations and Marketing & Fundraising. The remuneration and benefits paid to these personnel totalled £96,033 (2016 - £95,555).

NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2017

8 Other costs

Fundraising and publicity	<u>2017</u>	<u>2016</u>
Promotion	13,383	12,355
Investment management fees	497	665
	<u>£13,880</u>	<u>£13,020</u>
Charitable activity administration costs		
Rates	192	144
Insurance	2,792	2,922
Light and heat	3,379	4,247
Repairs and maintenance	385	1,483
Stationery	7,108	6,528
Telephone and fax	2,686	2,882
Travelling expenses	1,644	2,214
Legal and professional	2,537	2,418
Sundry expenses	1,651	2,039
Recruitment expenses	199	-
Subscriptions	629	1,366
Bank charges	862	986
Cleaning	5,204	4,713
Computer expenses	6,440	20,947
Health and safety	1,058	933
Staff training	393	1,428
Postage	5,471	5,033
Food bank running costs	737	2,890
Northamptonshire office rental of sub-contracted work	-	1,500
Auditor's remuneration	5,550	5,340
Trustees' expenses	25	32
	<u>£48,942</u>	<u>£70,045</u>

None of the Trustees (or any person connected with them) received any remuneration during this year.
 One Trustee was reimbursed for travel expenses during the year.

NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2017

9 Tangible fixed assets

	Leasehold property	Fixtures Fittings & equipment	Total
Cost/Valuation			
At 31 March 2016	237,500	38,633	276,133
Revaluation	-	-	-
Disposal	-	-	-
At 31 March 2017	£237,500	£38,633	£276,133
Depreciation			
At 31 March 2016	12,500	38,633	51,133
Charge for the period	12,500	-	12,500
Eliminated on revaluation	-	-	-
Disposal	-	-	-
At 31 March 2017	£25,000	£38,633	£63,633
Net book value			
At 31 March 2017	£212,500	£-	£212,500
At 31 March 2016	£225,000	£-	£225,000

The leasehold property revaluation is based on the midpoint between two open market valuations by chartered surveyors, Readings Property Group Limited and Sturgis Snow and Astill in February 2016. The original cost of the leasehold property was £68,572.

10 Fixed asset investments

Listed investments

Market value at 31 March 2016	64,691
Disposals at opening book value	-
Acquisitions at cost	-
Net unrealised gain on revaluation	7,720
Market value at 31 March 2017	£72,411
Historical cost:	
At 31 March 2017	£62,827
Historical cost:	
At 31 March 2016	£62,827

All investments were held in the United Kingdom. The trustees consider that there were no material investments held at the yearend.

NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2017

11 Debtors

	<u>2017</u>	<u>2016</u>
Trade debtors	38,345	65,662
Income tax recoverable	14,742	12,022
Other debtors	-	100
Prepayments and accrued income	13,260	5,255
	<u>£66,347</u>	<u>£83,039</u>

12 Creditors: amounts falling due within one year

	<u>2017</u>	<u>2016</u>
Trade creditors	71,242	75,616
Taxes and social security costs	4,685	6,061
Other creditors	465	5,579
Accruals and deferred income	56,320	57,815
Pension deficit	38,000	37,000
	<u>£170,712</u>	<u>£182,071</u>

Included with the above, is the following deferred income in respect of donations received in advance.

Balance at 31 March 2016	1,458	13,800
Donations received	875	1,458
Released to statement of financial activities	(1,458)	(13,800)
	<u>£875</u>	<u>£1,458</u>
Balance at 31 March 2017	<u>£875</u>	<u>£1,458</u>

13 Pension costs

The Charity operates a defined benefit pension scheme. The assets of the scheme are held separately from those of the Charity in an independently administered multi-employer fund. As each employer is exposed to actuarial risks associated with the current and former employees of the other entities participating in the scheme, the charity is unable to identify its share of the underlying assets and liabilities of the scheme. A valuation of the fund was carried out at 31 March 2017 and a deficit recovery plan was arranged.

Section 28.11a of FRS102 requires deficit recovery payments to be recognised as a liability. The net present value of the pension deficit is provided below, the rate of discount at 31 March 2017 is 1.32%.

	<u>2017</u>	<u>2016</u>
Liability at 1 April 2016	363,000	302,000
Unwinding of the discount factor	7,000	5,000
Deficit contributions paid	(37,000)	(36,000)
Re-measurements	11,000	92,000
	<u>£344,000</u>	<u>£363,000</u>
Liability at 31 March 2017	<u>£344,000</u>	<u>£363,000</u>
Due within 1 year	<u>£38,000</u>	<u>£37,000</u>
Due after 1 year	<u>£306,000</u>	<u>£326,000</u>

NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2017

14 Restricted funds

The income funds of the Charity include restricted funds comprising the following unexpended balances to be applied for specific purposes:

	Balance 1 April 2016	Transfer Out	Movement in funds		Balance 31 March 2017
			Incoming Resource	Resources Expended	
Charity of Carlton Hayes Hospital	(6,594)	-	54,000	35,938	11,468
Covenants	49,304	-	-	13,150	36,154
Leicester Children's Aid Association	3,102	465	3,100	2,333	3,404
Other funds held for distribution to the needy	115,688	-	628,112	508,501	235,299
	<u>£161,500</u>	<u>£465</u>	<u>£685,212</u>	<u>£559,922</u>	<u>£286,325</u>

15 Endowment funds

The Endowment Funds relate to Leicester Children's Aid Association which was transferred into the Charity on 29 October 2007 together with the net funds of Connection, another locally based Charity which merged with Leicester Children's Aid Association in 2008.

16 Designated funds

The designated property fund is to be used for the purpose of purchasing freehold office accommodation for the Charity when the lease on its current premises comes to an end in 2034. During the year £5,000 was transferred to the fund.

NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2017

17 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Designated funds	Endowment funds	Total funds 2017	Total Funds 2016
Fund balances at 31 March 2017 are represented by:						
Tangible fixed assets	212,500	-	-	-	212,500	225,000
Investments	-	-	-	72,411	72,411	64,691
Current assets	306,391	286,790	30,000	1,904	625,085	491,900
Creditors: amounts falling due within one year	(170,247)	(465)	-	-	(170,712)	(182,071)
Creditors: amounts falling due after one year	(306,000)	-	-	-	(306,000)	(326,000)
	<u>£42,644</u>	<u>£286,325</u>	<u>£30,000</u>	<u>£74,315</u>	<u>£433,284</u>	<u>£273,520</u>
Unrealised gains included above:						
On investments (see below)	-	-	-	£9,584	£9,584	£1,864
Reconciliation of movements in unrealised Gains/(losses) on investment assets						
Unrealised gains at 1 April 2016	-	-	-	1,864	1,864	18,191
Deduct in respect of disposals in year	-	-	-	-	-	(18,191)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,864</u>	<u>1,864</u>	<u>-</u>
Net gain arising in year	-	-	-	7,720	7,720	1,864
Unrealised gains at 31 March 2017	<u>£-</u>	<u>£-</u>	<u>£-</u>	<u>£9,584</u>	<u>£9,584</u>	<u>£1,864</u>

NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2017

18 Related Party Transactions

During the year, administration fees and grants were received from the following charities in which some or all of the Trustees of Leicester Charity Organisation Society are also Trustees:-

	2017	2016
	£	£
Leicester Indigent Old Age Society	6,053	920
Leicestershire and Rutland County Nursing Association	54,050	53,450
The Mansion Trust (UK)	2,464	2,670
The Nicholson Memorial Fund (Rosehill Trust)	9,531	4,752
R Daphne Plunket Charitable Trust	7,338	14,534
Wyggeston's Hospital	17,500	45,000
Edward Wood Poor Widows	1,090	815
Alderman Newton's Educational Foundation	10,800	11,106
Charity of Carlton Hayes Hospital	60,000	-
Leicester Aid in Sickness Fund	8,006	-
Florence Turner Trust	17,100	-
The Maud Elkington Charitable Trust	80,700	-
The Head Start Trust	40,725	-

The trustee A H Jarvis is also a director of the charity's investment advisors Rowley-Turton (IFA) Limited. During the year the charity paid £760 in respect of investment management charges to Rowley-Turton.

19 Transfer between funds

Leicester Children's Aid Association allocated £465 to Leicester Charity Organisation Society during the year to cover its own administration costs.

During the year, Leicester Charity Organisation Society allocated £5,000 to a designated property fund to be used for the purpose of purchasing freehold office accommodation for the Charity when the lease on its current premises comes to an end in 2034.

20 Lease commitments

At 31 March 2017 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 March 2018:

	2017	2016
	£	£
Operating leases which expire:		
Between two and five years	2,980	4,470

NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 MARCH 2017

21 Reconciliation of net income to net cash flow from operations

	2017 £	2016 £
Net movement in funds	159,764	64,132
Depreciation of tangible fixed assets	12,500	13,928
(Gains)/losses on investments	(7,720)	(1,864)
(Gains)/losses on fair value adjustments of fixed assets	-	(198,929)
Investment income	(14,980)	(15,239)
Decrease/(increase) in debtors	16,692	(15,621)
Increase/(decrease) in creditors	(31,359)	99,498
Net cash flow from operations	<u>£134,897</u>	<u>(£54,095)</u>