

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2017

FOR

THE MUNICIPAL GENERAL CHARITY

Registered Charity No. 217437

THE MUNICIPAL GENERAL CHARITY (REGISTERED CHARITY NO. 217437)

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for the Year Ended 31st December 2017

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THE MUNICIPAL GENERAL CHARITY (REGISTERED CHARITY NO. 217437)

CHARITY REFERENCE AND ADMINISTRATIVE DETAILS
for the Year Ended 31st December 2017

Charity Name: The Municipal General Charity
Governing Document: Charity Commission Schemes dated 28th June 1895 and 28th February 2000
Registered Charity Number: 217437

Charity Trustees

The following are the names of the Trustees who have acted at any time during the course of the relevant financial year:-

Co-optative Trustees

Mr L G Aslin
Mr T S Bickley
Mrs I Brown (appointed 1st March 2018)
Mr M G Cope (Vice-Chairman)
Mrs E Dalton
Miss J Moore MBE JP
Mrs V Picker
Mr A C Roberts
Reverend A I Tucker (resigned 30th October 2017)
Mrs D Westmoreland
Mrs J Whicher (Chairman)

Appointed by Nottinghamshire County Council

Mr S R Wallace

Appointed by Newark & Sherwood District Council

Mrs R Crowe

Appointed by Newark Town Council

Mrs I Brown (resigned 28th February 2018)
Mr D Hyde
Mr M Skinner (appointed 1st March 2018)

Appointed by the Trustees of the Collingham Charity in the Parish of Collingham

Mr M Davies (appointed 1st March 2018)
Mrs M Parkin (resigned 28th February 2018)

Appointed by the Trustees of Newark Municipal Church Charities in the former borough of Newark

Vacant

The complete body of Trustees comprises sixteen in number of which there are:-

- 10 Co-optative Trustees appointed by the body of Trustees itself
 - 1 Appointed by Nottinghamshire County Council
 - 1 Appointed by the Newark & Sherwood District Council
 - 2 Appointed by the Newark Town Council
 - 1 Appointed by the Trustees of the Collingham Charity in the Parish of Collingham
 - 1 Appointed by the Trustees of Newark Municipal Church Charities in the former borough of Newark

Principal Address 48 Lombard Street, Newark, Nottinghamshire NG24 1XP

Relevant Organisations

Clerk and Receiver Mrs E Gamage, 48 Lombard Street, Newark, Nottinghamshire NG24 1XP

Bankers National Westminster Bank Plc., 1 Market Place, Newark, Nottinghamshire NG24 1DY

Independent Auditors Stephenson Nuttall & Co., Ossington Chambers, 6-8 Castle Gate, Newark, Nottinghamshire, NG24 1AX

Investment Advisers Brewin Dolphin Securities Limited, Time Central Gallowgate, Newcastle-upon-Tyne NE1 4SR

Specific Restrictions None

Investment Powers By authority of the Governing Documents

REPORT OF THE TRUSTEES
for the Year Ended 31st December 2017

The Trustees present their report and the audited financial statements of the Charity for the year ended 31st December 2017. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the Report of the Trustees and financial statements of the Charity.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the Charity's governing documents, 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 applicable in the UK and Republic of Ireland published on 16th July 2014 (as updated by Update Bulletin 1 published on 2nd February 2016).

Structure, Governance and Management

The Charity is an unincorporated body, constituted under a Scheme dated 28th June 1895 and 28th February 2000. The Charity does not actively fundraise and seeks to continue its activities through the careful stewardship of its existing resources.

Until 28th February 2000 the Charity was known as Municipal General Charities for the Poor (formerly Newark Municipal (General) Charities) and thereafter became responsible for the administration and management of several charities, these being:

Charities of John Lilley and Henry Stone.

Phillypot Educational Foundation.

Charities of William Bethell, Hercules Clay, Anthony Collingwood and Bishop Thomas White.

Charity known as Chapman's Charity.

Charities of John Johnson, Timothy Ellis, Isabel Marshall, Richard Lamb, George Lawrence, Lady Frances Leake, John Martin, William Phillyot, Alderman James Dyson, Henry Hall, Thomas Summers, Emma Watson and Frederick Duke.

Investments held by The Municipal General Charity include those held on behalf of The East & West Laughton Estate Charity.

After many years of negotiations with the Charity Commissioners a new Charity Scheme was made on 28th February 2000. The major constitutional changes brought about by the new scheme were as follows:-

- (a) The name of the Charity shall in future be The Municipal General Charity.
- (b) There are six nominated Trustees and ten co-opted Trustees.
- (c) Several small charities were brought under the umbrella of The Municipal General Charity including those listed above together with The Charity of Jane Heron, The Newark-upon-Trent Relief in Need Charity, The Newark Benevolent Society, The Newark Widows Fund, The Garner Charity and The Collingham Charity.
- (d) The area of benefit of the new Charity has been extended and includes the parishes of Newark, Farndon, Winthorpe, Hawton, Collingham, Coddington, Langford and Holme.

The Trustees of Farndon Relief in Need Charity agreed that this Charity would also merge with The Municipal General Charity. The assets of this Charity were transferred by a general vesting declaration dated 7th March 2016.

The charities mentioned above and the properties thereof are administered and managed together as one Charity.

The Trustees named on page 1 have served throughout the year. Appointment of Trustees is in accordance with the governing documents of the Charity. The Board of Trustees is authorised to appoint new Trustees to fill vacancies arising through resignation or death of an existing Trustee.

As set out in the Charity Scheme co-opted Trustees are appointed with regard to the requirement for any specialist skills needed.

Nominated Trustees appointed by Newark & Sherwood District Council and Newark Town Council are subject to the appointment processes of those bodies and the guidelines on appointment to public office as they apply to Local Government nominees. The scheme dated 28th February 2000 states that Nottinghamshire County Council may nominate a Trustee.

Nominated Trustees are also appointed by the Trustees of the Collingham Charity and the Trustees of Newark Municipal Church Charities in the former borough of Newark.

At the quarterly Trustees meetings, the Trustees agree the broad strategy and areas of activity for the Charity, including consideration of grant making, investment, reserves and risk management policies and performance.

The day to day administration of the Charity is the responsibility of the Clerk who reports regularly to the Trustees. The activities of the Charity have been administered in conjunction with those of The East & West Laughton Estate Charity (Registered Charity No. 501882). During the course of the present financial period there have been four ordinary meetings of the Trustees.

The Charity is not financially dependent upon the support of any individuals, corporation, or classes of donors known to play a key role in its affairs.

REPORT OF THE TRUSTEES (continued)
for the Year Ended 31st December 2017

Structure, Governance and Management (continued)

The induction process for any newly-appointed Trustee comprises an initial meeting with the Clerk to the Trustees to familiarise the person appointed on investments, the grant making process and powers and responsibilities of the Trustees. A brief history of the Charity and copies of annual reports and accounts, a copy of the Charity Scheme and a copy of the Charity Commission's guidance 'The Essential Trustee: What You Need to Know' are also given to the newly-appointed Trustee.

Risk Management

The Trustees have a duty to identify and review the risks to which the Charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. The Charity Trustees have considered the major risks to which the Charity is exposed and have reviewed those risks and established systems and procedures to manage those risks. The Trustees consider variability of investment returns on the permanent endowment to constitute the Charity's major risk. The Trustees believe that maintaining reserves at current levels will provide sufficient resources in the event of adverse conditions.

Objectives and Activities for the Public Benefit

The object of the Charity is the application of income for relief in need relieving either generally or individually persons in Newark, Farndon, Winthorpe, Hawton, Collingham, Coddington, Langford and Holme, who are in conditions of need, hardship or distress by making grants of money, providing or paying for items, services or facilities calculated to reduce the need of hardship or distress of such persons.

The Trustees confirm that they have considered the Charity Commission's guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities and setting the grant making policy for the year.

In furtherance of the object, the Trustees have undertaken the following activities:-

1. the Trustees actively encourage application for aid from various bodies on behalf of individuals in need.
2. the upkeep and maintenance of the properties in Newark and the surrounding area held for investment purposes.
3. a regular review of the Charity's finances and a review of investments twice annually on formal Reports and Valuations from the Charity's Stockbrokers.

Grant Making Policies

The Charity has established its grant making policies to achieve its objects for the public benefit by giving particular emphasis to those applications satisfying the criteria of the prevention or relief of poverty, and relief of those in need, by reason of youth, age, ill-health, disability, financial hardship or other disadvantage. The grant making policies are in accordance with the object of the Charity described above.

In respect of Unrestricted Income Funds the Trustees are able to consider grant applications in accordance with the object of the Charity. Written grant applications within these objects are considered for approval at the Trustees meetings during the year.

In respect of Restricted Income Funds, as stated in the Charity's scheme, income less expenses relating to Besthorpe and Girton Estate assets is apportioned 25/95 to the Charity of Bishop Thomas White for distribution to Newark Municipal Church Charities, and 70/95 to the Charity of Henry Stone for distribution to Lilley and Stone Endowment.

The Trustees always seek feedback on the actual use of the grants given and the achievements made, including those given to individuals. The explanations and feedback received are sufficient for monitoring the quality of the grants made.

Achievements and Performance

The Charity continues to provide relief to persons in need, hardship or distress through grants either directly to individuals or to organisations.

Grants from Unrestricted Income Funds totalling £9,981 have been made by the Trustees to various organisations and individuals following the appropriate consideration and investigation of applications. Grants to individuals have been made mainly to purchase household equipment.

Grants from Restricted Income Funds were payable to Newark Municipal Church Charities in the sum of £2,512, Lilley and Stone Endowment £7,032 and Magnus Charity £20, in accordance with the scheme document.

THE MUNICIPAL GENERAL CHARITY (REGISTERED CHARITY NO. 217437)

REPORT OF THE TRUSTEES (continued) **for the Year Ended 31st December 2017**

Financial Review

The financial position of the Charity is adequately reflected in the financial statements for the year ended 31st December 2017. Funds available are sufficient to permit the Charity to continue in operation and the nature and management of its investments provides a firm base for the future.

At 31st December 2017, Income Funds stood at £58,353 (2016 - £25,161) including £58,347 (2016 - £25,035) of Unrestricted Funds.

At 31st December 2017, Endowment Funds stood at £1,842,288 (2016 - £1,736,674) mainly represented by investment properties and listed investments on which the Charity is reliant in order to generate income.

Investment Policy and Performance

The Trustees have considered the most appropriate policy for investing funds and have found that a diversified portfolio of property, shares, corporate bonds and government securities meet their requirements to generate both income and capital growth.

The Charity employs specialists as investment advisers and managers. They charge a fee based on the value of the portfolio.

Reserves Policy

The Trustees have reviewed the level of Unrestricted Funds required to support the Charity's grant making activities and to deal with any eventuality that might arise. As a result, the Charity's grant making has been set at a level to preserve the amount of Unrestricted Funds. This policy will be reviewed annually by the Trustees in the light of available distributable income.

Plans for the Future

The Trustees are committed to the furtherance of the object already outlined in this report.

Key Management Personnel and Remuneration

The Trustees consider the Board of Trustees and the Clerk to the Trustees 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 was paid in the year. In accordance with the Charity's governing document the Trustees may pay the Clerk to the Trustees such a salary as may be approved by the Charity Commissioners. Details of Trustee expenses and related party transactions are disclosed in notes 6 and 21 to the accounts.

Trustees are required to disclose all relevant interests and register them with the Clerk to the Trustees and in accordance with the Charity's policy withdraw from decisions where a conflict of interest arises.

Funds held as Custodian Trustee on behalf of others

Investments held by The Municipal General Charity include those held on behalf of The East & West Laughton Estate Charity. The object of The East & West Laughton Estate Charity is similar to that of The Municipal General Charity, which is a beneficiary of a proportion of grant payments, the other beneficiary being Newark Municipal Church Charities. Details of assets held on behalf of The East & West Laughton Estate Charity are shown in note 10 of these accounts. Safe custody of these investments is ensured by holding them in a Nominee account held by the Charities Investment Adviser.

REPORT OF THE TRUSTEES (continued)
for the Year Ended 31st December 2017

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Trustees 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).

The law applicable to charities in England & Wales 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:

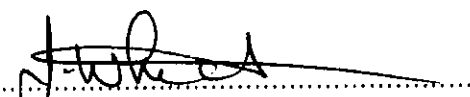
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity 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 Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

ON BEHALF OF THE TRUSTEES:


.....
Mrs J Whicher - Trustee

Date: 29/10/18

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
THE MUNICIPAL GENERAL CHARITY**

Opinion

We have audited the financial statements of The Municipal General Charity for the year ended 31st December 2017 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31st December 2017 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note twenty-two to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees are responsible for the other information. The other information comprises the information in the Report of the Trustees, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matter on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Report of the Trustees; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; 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 from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

THE MUNICIPAL GENERAL CHARITY (REGISTERED CHARITY NO. 217437)

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
THE MUNICIPAL GENERAL CHARITY**

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page five, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.



A P Haigh FCA (Senior Statutory Auditor)
for and on behalf of Stephenson Nuttall & Co., Statutory Auditor
Chartered Accountants
Ossington Chambers
6-8 Castle Gate
Newark
Nottinghamshire
NG24 1AX

Date: 30th October 2018.....

THE MUNICIPAL GENERAL CHARITY (REGISTERED CHARITY NO. 217437)

STATEMENT OF FINANCIAL ACTIVITIES
for the Year Ended 31st December 2017

SUMMARY INCOME AND EXPENDITURE ACCOUNT

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 31/12/17 £	Total Funds 31/12/16 £
INCOME AND ENDOWMENTS						
Income from donations						
Distribution from The East & West Laughton Estate Charity		10,363	-	-	10,363	8,789
Investment income						
Listed Investments		4,147	5,493	-	9,640	9,569
Cash Deposits		110	-	-	110	257
Investment Properties - Rental Income & Wayleaves		15,887	5,637	-	21,524	21,386
Other Income						
Funds from Farndon Relief in Need Charity		-	-	-	-	64,783
Funds from The Garner Charity		-	-	-	-	3,363
Total Income		<u>30,507</u>	<u>11,130</u>	<u>-</u>	<u>41,637</u>	<u>108,147</u>
EXPENDITURE						
Costs of raising funds	2	14,598	734	3,894	19,226	8,186
Charitable activities	4	15,633	10,070	-	25,703	36,193
Other costs	5	<u>6,453</u>	<u>446</u>	<u>-</u>	<u>6,899</u>	<u>8,797</u>
Total Expenditure		<u>36,684</u>	<u>11,250</u>	<u>3,894</u>	<u>51,828</u>	<u>53,176</u>
NET GAINS/(LOSSES) ON INVESTMENTS						
Listed Investment Gains/(Losses) - Realised		-	-	828	828	382
- Unrealised		-	-	28,919	28,919	44,225
Investment Properties Gains - Realised		-	-	-	-	3,015
- Unrealised		-	-	<u>119,250</u>	<u>119,250</u>	-
Total Net Gains/(Losses) on Investments		<u>-</u>	<u>-</u>	<u>148,997</u>	<u>148,997</u>	<u>47,622</u>
NET INCOME/(EXPENDITURE)		(6,177)	(120)	145,103	138,806	102,593
TRANSFERS BETWEEN FUNDS	14	<u>39,489</u>	<u>-</u>	<u>(39,489)</u>	<u>-</u>	<u>-</u>
NET MOVEMENT IN FUNDS		33,312	(120)	105,614	138,806	102,593
RECONCILIATION OF FUNDS						
Total funds brought forward		<u>25,035</u>	<u>126</u>	<u>1,736,674</u>	<u>1,761,835</u>	<u>1,659,242</u>
TOTAL FUNDS CARRIED FORWARD		<u>58,347</u>	<u>6</u>	<u>1,842,288</u>	<u>1,900,641</u>	<u>1,761,835</u>

The notes form part of these financial statements

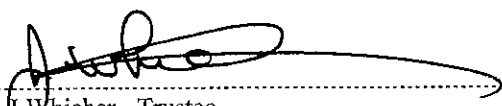
THE MUNICIPAL GENERAL CHARITY (REGISTERED CHARITY NO. 217437)

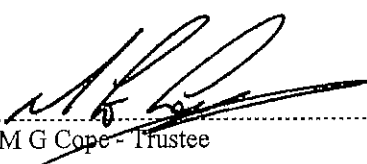
BALANCE SHEET

31st December 2017

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 31/12/17 £	Total Funds 31/12/16 £
FIXED ASSETS						
Investments - Listed Investments	7	-	-	893,990	893,990	786,249
Investments - Cash Deposits	8	44,959	-	7,221	52,180	81,357
Investment properties	9	-	-	<u>1,336,000</u>	<u>1,336,000</u>	<u>1,216,750</u>
Total fixed assets	10	<u>44,959</u>	-	<u>2,237,211</u>	<u>2,282,170</u>	<u>2,084,356</u>
CURRENT ASSETS						
Debtors	11	4,113	245	-	4,358	4,371
Cash at bank and in hand		<u>13,916</u>	<u>11,158</u>	<u>3,568</u>	<u>28,642</u>	<u>51,779</u>
Total current assets		<u>18,029</u>	<u>11,403</u>	<u>3,568</u>	<u>33,000</u>	<u>56,150</u>
LIABILITIES						
Creditors: Amounts falling due within one year	12	(4,641)	(11,397)	(3,568)	(19,606)	(19,400)
Net current assets		<u>13,388</u>	<u>6</u>	-	<u>13,394</u>	<u>36,750</u>
Total assets less current liabilities		58,347	6	2,237,211	2,295,564	2,121,106
Creditors: Amounts falling due after more than one year	13	-	-	(394,923)	(394,923)	(359,271)
TOTAL NET ASSETS		<u>58,347</u>	<u>6</u>	<u>1,842,288</u>	<u>1,900,641</u>	<u>1,761,835</u>
FUNDS OF THE CHARITY						
Capital Funds - Endowment Funds	15	-	-	1,842,288	1,842,288	1,736,674
Income Funds - Restricted Funds	16	-	6	-	6	126
- Unrestricted Funds	17	58,347	-	-	58,347	25,035
TOTAL CHARITY FUNDS		<u>58,347</u>	<u>6</u>	<u>1,842,288</u>	<u>1,900,641</u>	<u>1,761,835</u>

ON BEHALF OF THE TRUSTEES:


 Mrs J Whicher - Trustee


 Mr M G Cope - Trustee

Approved by the Trustees on:27/10/18.....

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31st December 2017

1. ACCOUNTING POLICIES

General Information and Basis of Preparation

The Municipal General Charity is an unincorporated Charity. The address of the principal office is given in the Charity information on page 1 of these financial statements.

The Charity constitutes a public benefit entity as defined by FRS 102. 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 16th July 2014 (as updated through Update Bulletin 1 published on 2nd February 2016), 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 1st January 2016.

The Charity has applied Update Bulletin 1 as published on 2nd February 2016 and does not include a Cash Flow Statement on the grounds that it is applying FRS 102 Section 1A.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Funds Accounting

Funds held by the Charity are either:-

- **Endowment Funds** – these are funds which represent those assets which must be held permanently by the Charity. The investments representing the funds may be changed from time to time but cannot be distributed to beneficiaries. Realised and unrealised gains and losses on revaluation of these assets form part of the funds. Income arising from these funds can be used in accordance with the objects of the Charity as unrestricted income.
- **Restricted Funds** – these funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund, together with a fair allocation of support costs and governance costs.
- **Unrestricted Funds** – these are funds which can be used in accordance with the charitable objects at the discretion of the Trustees. The funds have arisen from the accumulated income generated by the assets of the Endowment Funds of the Charity and from charitable donations received.

Income Recognition

All incoming resources are included in the Statement of Financial Activities when the Charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Distribution from The East & West Laughton Estate Charity – In accordance with the terms of the Trust Deed of The East & West Laughton Estate Charity, 84.028% of the net income is given as a grant each year to The Municipal General Charity. The amount receivable is only known once accounts have been finalised for each accounting year and the appropriate proportions calculated based on the net income of the Charity.

Income from listed investments and cash deposits is accounted for on a receivable basis..

Rental income from investment properties is accounted for on a receivable basis in the period to which it relates.

Expenditure Recognition

Expenditure is included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which is not recoverable by the Charity.

Grants payable are accounted for under the accruals concept. The amounts due under the governing document are only known once accounts have been finalised for each accounting period and the appropriate proportions calculated based on the net income of the Charity.

Allocation of Support and Other Costs

Expenditure which is directly attributable to specific activities has been included in these cost categories. Where costs are attributable to more than one activity, they have been apportioned across the cost categories on a basis consistent with the use of these resources.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 31st December 2017

1. ACCOUNTING POLICIES - continued

Costs of Raising Funds

The expenditure on raising funds includes all expenditure incurred by the Charity to raise funds for charitable purposes. This includes fees in respect of portfolio management of listed investments, rent collection and investment property costs.

Charitable Activities

The expenditure on charitable activities includes grants made and an apportionment of support costs as shown in note 4.

Other Costs

Other costs include all costs involving the public accountability of the Charity and its compliance with constitutional and statutory regulations and good practice. These costs include audit and accountancy.

Fixed Asset Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their market value as at the balance sheet date using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Investment Properties

Investment properties have a readily assessable market value and thus the fair value can be measured reliably without undue cost or effort. These properties are therefore measured at fair value at each reporting date and changes in fair value recognised in the Statement of Financial Activities.

Realised Gains and Losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired during the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and the opening carrying value or purchase value if acquired during the financial year.

Debtors

Debtors are measured at their recoverable amounts (the amount the Charity anticipates it will receive from a debt or the amount it has paid in advance for goods or services).

Liabilities

Liabilities are measured at their settlement amount. A liability is recognised for the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as an advance payment for goods or services it must provide.

Tax

The Charity is an exempt Charity within the meaning of schedule 3 of the Charities Act 2011.

Going Concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The forecast income and expenditure is sufficient with the level of funds for the Charity to be able to continue as a going concern.

Judgements and Key Sources of Estimation Uncertainty

The Trustees do not believe that any accounting judgements or estimates have been applied to these financial statements that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31st December 2017

2. COSTS OF RAISING FUNDS

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 31/12/17	Total Funds 31/12/16
	£	£	£	£	£
Insurance	1,695	-	-	1,695	1,681
Investment management fees	-	-	3,894	3,894	5,171
Repairs and renewals	12,436	-	-	12,436	-
Professional fees	-	-	-	-	240
Letting agents fees	-	734	-	734	734
Sundries	467	-	-	467	360
	<u>14,598</u>	<u>734</u>	<u>3,894</u>	<u>19,226</u>	<u>8,186</u>

3. ALLOCATION OF SUPPORT COSTS

The breakdown of support costs and how these were allocated between Governance and Charitable Activities is shown in the table below.

	Total Allocated	Charitable Activities	Other Costs
	£	£	£
Clerk to the Trustees fees	<u>8,210</u>	<u>6,158(75%)</u>	<u>2,052(25%)</u>

Support costs are allocated on the basis of a best estimate of time spent in respect of the activity category.

4. CHARITABLE ACTIVITIES

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 31/12/17	Total Funds 31/12/16
	£	£	£	£	£
Grants - Individuals and organisations (Note 17)	9,981	-	-	9,981	20,470
Grant - Newark Municipal Church Charities (Note 16)	-	2,512	-	2,512	2,512
Grant - Lilley and Stone Endowment (Note 16)	-	7,032	-	7,032	7,033
Grant - Magnus Charity (Note 16)	-	20	-	20	20
Total Grants payable	9,981	9,564	-	19,545	30,035
Clerk to the Trustees fees (Note 3)	<u>5,652</u>	<u>506</u>	-	<u>6,158</u>	<u>6,158</u>
	<u>15,633</u>	<u>10,070</u>	<u>-</u>	<u>25,703</u>	<u>36,193</u>

The Charity undertakes its charitable activities through grant making and paid grants to other charities as required by the governing document and to a number of individuals and organisations in furtherance of its charitable activities.

5. OTHER COSTS

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 31/12/17	Total Funds 31/12/16
	£	£	£	£	£
Auditors' remuneration	1,553	140	-	1,693	1,656
Accountancy	1,537	137	-	1,674	1,639
Clerk to the Trustees fees (Note 3)	1,883	169	-	2,052	2,052
Legal and professional fees	<u>1,480</u>	<u>-</u>	<u>-</u>	<u>1,480</u>	<u>3,450</u>
	<u>6,453</u>	<u>446</u>	<u>-</u>	<u>6,899</u>	<u>8,797</u>

6. STAFF COSTS

The Charity had no employees during the year ended 31st December 2017 (2016 - none).

No remuneration was paid to Trustees in the year, nor were any Trustees expenses reimbursed.

THE MUNICIPAL GENERAL CHARITY (REGISTERED CHARITY NO. 217437)

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 31st December 2017

7. INVESTMENTS - LISTED INVESTMENTS

	31/12/17	31/12/16
	£	£
Listed Investments	<u>893,990</u>	<u>786,249</u>
Movements in market value of listed investments		
Market value at 1 st January 2017	786,249	675,295
Additions at cost	115,397	74,980
Disposals at market value	(70,565)	(33,597)
Net gains/(losses) on listed investments	<u>62,909</u>	<u>69,571</u>
Market value at 31 st December 2017	<u>893,990</u>	<u>786,249</u>

The historic cost of the listed investments at 31st December 2017 was £582,477 (2016 - £526,642)

Net gains on listed investments are shown in the Statement of Financial Activities of The Municipal General Charity and The East & West Laughton Estate Charity as follows:

	31/12/17	31/12/16
	£	£
The Municipal General Charity		
Listed Investments Gains/(Losses) - Unrealised	28,919	44,225
The East & West Laughton Estate Charity		
Listed Investments Gains/(Losses) - Unrealised	<u>33,990</u>	<u>25,346</u>
	<u>62,909</u>	<u>69,571</u>

8. INVESTMENTS - CASH DEPOSITS

	31/12/17	31/12/16
	£	£
Cash Deposits - COIF Charities Deposit	44,959	44,655
Cash Deposits - Brewin Dolphin Capital account	<u>7,221</u>	<u>36,702</u>
	<u>52,180</u>	<u>81,357</u>

9. INVESTMENT PROPERTIES

	31/12/17	31/12/16
	£	£
Fair value		
At 1 st January 2017	1,216,750	1,246,500
Additions	-	18,000
Disposals	-	(47,750)
Revaluations	<u>119,250</u>	<u>-</u>
At 31 st December 2017	<u>1,336,000</u>	<u>1,216,750</u>
Net book value		
At 31 st December 2017	<u>1,336,000</u>	<u>1,216,750</u>
At 31 st December 2016	<u>1,216,750</u>	<u>1,246,500</u>

The Charity's investment properties were independently valued on an open market basis subject to existing tenancies by Messrs. Alasdair Morrison and Partners, Chartered Surveyors, on 21st March 2018. The Trustees consider the valuations of the investment properties at 31st December 2017 to be not materially different to these valuations.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 31st December 2017

10. ANALYSIS OF FIXED ASSETS

Endowment Fund Name	Listed Investments £	Cash Deposits £	Investment Properties £	Total 31/12/17 £
The East & West Laughton Estate Charity	394,923	-	-	394,923
Besthorpe & Girtton Estate	165,830	-	380,000	545,830
Chapman Charity	181	-	-	181
Sundry Charities (Collingwood, Duke, Johnson Lamb, Lawrence, Marshall and Thorpe)	3,094	-	-	3,094
Lady Jane Heron Charity	55,287	-	30,000	85,287
The Collingham Charity	7,118	-	110,000	117,118
Farndon Relief in Need Charity	31,261	-	18,000	49,261
The Garner Charity	3,537	-	-	3,537
Newark Benevolent Society	2,424	-	-	2,424
The Newark Relief in Need Charity	1,967	-	-	1,967
The Newark Widows' Fund	15,465	-	-	15,465
Phillypot Educational Foundation	310	-	-	310
Wm. Phillypot Charity	<u>212,593</u>	<u>7,221</u>	<u>798,000</u>	<u>1,017,814</u>
Total Capital Funds – Endowment Funds	<u>893,900</u>	<u>7,221</u>	<u>1,336,000</u>	<u>2,237,211</u>
Unrestricted Funds	-	44,959	-	44,959
Total Fixed Assets	<u>893,900</u>	<u>52,180</u>	<u>1,336,000</u>	<u>2,282,170</u>

Total fixed assets held in respect of endowment funds of £2,237,211 less the amount falling due after more than one year in respect of The East & West Laughton Estate Charity of £394,923 results in total endowment funds of £1,842,288 in respect of The Municipal General Charity, as shown in note 15.

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/12/17 £	31/12/16 £
Arrears of rent	3,692	3,625
Other debtors	421	501
Prepayments	<u>245</u>	<u>245</u>
	<u>4,358</u>	<u>4,371</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/12/17 £	31/12/16 £
Accruals for grants payable	11,514	11,216
Rents received in advance	2,162	2,496
Accruals	<u>5,930</u>	<u>5,688</u>
	<u>19,606</u>	<u>19,400</u>

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31/12/17 £	31/12/16 £
Amount due to The East & West Laughton Estate Charity	<u>394,923</u>	<u>359,271</u>

This represents assets held by The Municipal General Charity which are held on behalf of The East & West Laughton Estate Charity. In respect of the above, £394,923 (2016 - £320,044) relates to listed investments held in the name of The Municipal General Charity on behalf of The East & West Laughton Estate Charity, as referred to in note 10.

THE MUNICIPAL GENERAL CHARITY (REGISTERED CHARITY NO. 217437)

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31st December 2017

14. ANALYSIS OF CHARITABLE FUNDS

	Year Ended 31 st December 2017							
	Fund Balance at 1 st January 2017 £	Income £	Expenditure excluding distributions £	Net income available for distribution £	Distributions (Note 4) £	Gains and losses £	Transfers between funds £	Fund Balance at 31 st December 2017 £
Endowment Funds (Note 15)	1,736,674	-	(3,894)	(3,894)	-	148,997	(39,489)	1,842,288
Restricted Funds (Note 16)	126	11,130	(1,686)	9,444	9,564	-	-	6
Unrestricted Funds (Note 17)	<u>25,035</u>	<u>30,507</u>	<u>(26,703)</u>	<u>3,804</u>	<u>9,981</u>	<u>-</u>	<u>39,489</u>	<u>58,347</u>
	<u>1,761,835</u>	<u>41,637</u>	<u>(32,283)</u>	<u>9,354</u>	<u>19,545</u>	<u>148,997</u>	<u>-</u>	<u>1,900,641</u>

Year Ended 31 st December 2016								
	Fund Balance at 1 st January 2016 £	Income £	Expenditure excluding distributions £	Net Income available for distribution £	Distributions (Note 4) £	Gains and losses £	Transfers between funds £	Fund Balance at 31 st December 2016 £
Endowment Funds (Note 15)	1,637,341	51,711	-	51,711	-	47,622	-	1,736,674
Restricted Funds (Note 16)	133	11,122	(1,564)	9,558	9,565	-	-	126
Unrestricted Funds (Note 17)	21,768	45,314	(21,577)	23,737	20,470	-	-	25,035
	1,659,242	108,147	(23,141)	85,006	30,035	47,622	-	1,761,835

The information above summarises the link between figures per the Statement of Financial Activities and Charitable Funds. Distributions to beneficiaries are included within Expenditure which also includes costs of generating funds, support costs and other costs. These amounts are charged against Income in order to calculate net income available for distribution to beneficiaries.

Explanation of material transfers between funds

A transfer to Unrestricted Funds from Endowment Funds of £39,489 represents investment management fees previously charged to Unrestricted Funds but now reallocated to Endowment Funds.

15. CAPITAL FUNDS - ENDOWMENT FUNDS

Endowment Fund Name	Fund Balance at 1 st January 2017 £	Investment Management fees £	Listed Investments Gains/(Losses) Realised £	Listed Investments Gains/(Losses) Unrealised £	Investment Property Gains/(Losses) Unrealised £	Total Gains and losses £	Transfers between funds £	Fund Balance at 31 st December 2017 £
Besthorpe and Girton Estate	496,397	(1,700)	828	5,305	45,000	51,133	-	545,830
Chapman Charity	231	-	-	5	-	5	(55)	181
Sundry Charities (Collingwood, Duke, Johnson, Lamb, Lawrence, Marshall and Thorpe)	2,862	-	-	170	-	170	62	3,094
Lady Jane Heron Charity	83,152	-	-	(662)	2,750	2,088	47	85,287
The Collingham Charity	105,622	-	-	496	11,000	11,496	-	117,118
Farndon Relief in Need Charity	48,281	-	-	980	-	980	-	49,261
The Garner Charity	3,400	-	-	137	-	137	-	3,537
Newark Benevolent Society	2,361	-	-	63	-	63	-	2,424
The Newark Relief in Need Charity	1,979	-	-	(12)	-	(12)	-	1,967
The Newark Widows' Fund	14,351	-	-	1,114	-	1,114	-	15,465
Phillypot Educational Foundation	302	-	-	8	-	8	-	310
Wm. Phillypot Charity	977,736	(2,194)	-	21,315	60,500	81,815	(39,543)	1,017,814
	<u>1,736,674</u>	<u>(3,894)</u>	<u>828</u>	<u>28,919</u>	<u>119,250</u>	<u>148,997</u>	<u>(39,489)</u>	<u>1,842,288</u>

The Capital Funds were established by an initial gift from the donor. The gifts were made to the Charity on condition that it is held as permanent endowment, the income from which is available to fund the activities of the Charity.

The fund balance at the year end of each individual endowment fund is represented by fixed asset listed investments, investment property and monies on deposit as shown per note 10.

THE MUNICIPAL GENERAL CHARITY (REGISTERED CHARITY NO. 217437)

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31st December 2017

16. INCOME FUNDS - RESTRICTED FUNDS

	Year Ended 31 st December 2017					Fund Balance at 31 st December 2017 £
	Fund Balance at 1 st January 2017 £	Income £	Expenditure excluding distributions £	Net income available for distribution £	Distributions £	
T. White Charity	-	2,924	(412)	2,512	(2,512)	-
H Stone Charity	-	8,189	(1,157)	7,032	(7,032)	-
Chapman Charity	111	6	(117)	(111)	-	-
Phillypott Educational Foundation	<u>15</u>	<u>11</u>	<u>-</u>	<u>11</u>	<u>(20)</u>	<u>6</u>
	<u>126</u>	<u>11,130</u>	<u>(1,686)</u>	<u>9,444</u>	<u>(9,564)</u>	<u>6</u>

	Year Ended 31 st December 2016					Fund Balance at 31 st December 2016 £
	Fund Balance at 1 st January 2016 £	Income £	Expenditure excluding distributions £	Net income available for distribution £	Distributions £	
T. White Charity	-	2,923	(411)	2,512	(2,512)	-
H Stone Charity	-	8,186	(1,153)	7,033	(7,033)	-
Chapman Charity	110	1	-	1	-	111
Phillypott Educational Foundation	<u>23</u>	<u>12</u>	<u>-</u>	<u>12</u>	<u>(20)</u>	<u>15</u>
	<u>133</u>	<u>11,122</u>	<u>(1,564)</u>	<u>9,558</u>	<u>(9,565)</u>	<u>126</u>

These funds are to be used for specific purposes as laid down by the donor.

Distributions - comprises the following:

	31/12/17 £	31/12/16 £
Newark Municipal Church Charities	2,512	2,512
Lilley and Stone Endowment	7,032	7,033
Magnus Charity	<u>20</u>	<u>20</u>
	<u>9,564</u>	<u>9,565</u>

THE MUNICIPAL GENERAL CHARITY (REGISTERED CHARITY NO. 217437)

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31st December 2017

17. INCOME FUNDS - UNRESTRICTED FUNDS

	Year Ended 31 st December 2017						
	Fund Balance at 1 st January 2017 £	Income £	Expenditure excluding distributions £	Net income available for distribution £	Distributions £	Transfers between funds £	Fund Balance at 31 st December 2017 £
Unrestricted Funds	<u>25,035</u>	<u>30,507</u>	<u>(26,703)</u>	<u>3,804</u>	<u>(9,981)</u>	<u>39,489</u>	<u>58,347</u>

	Year Ended 31 st December 2016						
	Fund Balance at 1 st January 2016		Expenditure excluding distributions	Net income available for distribution	Distributions	Transfers between funds	Fund Balance at 31 st December 2016
	£	Income £	£	£	£	£	£
Unrestricted Funds	<u>21,768</u>	<u>45,314</u>	<u>(21,577)</u>	<u>23,737</u>	<u>(20,470)</u>	<u>-</u>	<u>25,035</u>

The unrestricted funds are available to be spent for any of the purposes of the Charity.

Distributions - comprises the following:

	31/12/17 £	31/12/16 £
Grants to individuals		
Items, services or facilities purchased on behalf of individuals	4,881	6,680
Christmas gifts 81 x £100	-	8,100
Grants to organisations		
Beaumont House Community Hospice	5,000	-
Newark Orchard School	-	500
Newark Unit 606 of The Sea Cadets Corps	-	400
St. Peter's Church of England Academy	100	-
The Mary Elizabeth Siebel Charity	-	3,665
Think Children	-	<u>1,125</u>
	<u>9,981</u>	<u>20,470</u>

18. CAPITAL COMMITMENTS

The Charity had no capital commitments at 31st December 2017 (2016 - none).

19. CONTINGENT LIABILITIES

The Charity had no contingent liabilities at 31st December 2017 (2016 - none).

20. CONNECTED CHARITY

The Municipal General Charity has common objects and activities with those of The East & West Laughton Estate Charity, whose principal address is the same as The Municipal General Charity. The Charities are under common control and have unity of administration. 80% divided by 96 of the net income of The East & West Laughton Estate Charity is given as a grant each year to The Municipal General Charity in accordance with the terms of the Trust Deed of The East & West Laughton Estate Charity.

In accordance with the Charity's governing document, the Trustees of The Municipal General Charity are also the Trustees of The East & West Laughton Estate Charity (Registered Charity No. 501882). During the year the Charity received a grant of £10,363 (2016 - £8,789) from The East & West Laughton Estate Charity.

THE MUNICIPAL GENERAL CHARITY (REGISTERED CHARITY NO. 217437)

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31st December 2017

21. RELATED PARTY TRANSACTIONS

The Charity's governing document states that yearly sums are payable out of the property of Besthorpe and Girton Estate to H Stone Charity for the benefit of Lilley and Stone Endowment in the proportion of 70/95. The Trustees have no discretion in determining the proportion payable. Mrs R Crowe, Miss J Moore, Mr A C Roberts and Mr S R Wallace are Trustees of Lilley and Stone School Charity (Registered Charity No. 528255) to which Lilley and Stone Endowment relates. During the year a grant of £7,032 (2016 - £7,033) was payable to Lilley and Stone Endowment. At 31st December 2017 an amount of £7,032 (2016 - £7,033) was outstanding and is included within accruals for grants payable.

The Charity's governing document states that the Trustees may pay a Clerk and Receiver such a salary as may be approved by the Charity Commissioners. The Clerk and Receiver, Mrs E Gamage, is a partner of Payne & Gamage Solicitors. During the year, Payne & Gamage Solicitors charged the Charity an amount of £8,210 (2016 - £8,210) for the Clerk's services and an amount of £960 (2016 - £3,000) for other services.

During the previous year a grant of £3,665 was paid to The Mary Elizabeth Siebel Charity (Registered Charity No. 1001255), a Charity in which Miss J Moore is a Trustee.

During the previous year a grant of £400 was paid to Newark Unit 606 of The Sea Cadet Corps (Registered Charity No. 1000911), a Charity in which Miss J Moore is a Trustee.

22. APB ETHICAL STANDARD - PROVISIONS AVAILABLE FOR SMALL ENTITIES

In common with many other businesses of our size and nature we use our auditors to assist with the preparation of the financial statements.