

**Charity Registration No. 1078271**

**Company Registration No. 03761954 (England and Wales)**

**LEICESTER CHARITY ORGANISATION SOCIETY**

**REPORT AND ACCOUNTS**

**FOR THE YEAR ENDED 31 MARCH 2018**

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

# **LEICESTER CHARITY ORGANISATION SOCIETY**

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LEGAL AND ADMINISTRATIVE DETAILS

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**Trustees**

R J Hudson  
A H Jarvis (*Treasurer*)  
C Pharoah  
C T Saul  
Prof S M Sharma  
C E Shevas  
C E Smith (*Chairman*)

**Secretary and Director of Operations**

A J Munton

**Director of Marketing and Fundraising**

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 2018

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### Administration Details

Leicester Charity Organisation Society, known as 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 and the Mansion Trust (UK). 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 these 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.

#### *Charity's aims*

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.

**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2018**

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*Strategies to achieve main objectives for the year*

The strategies employed to assist the Charity to meet these objectives included 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 £767,000 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 fundraising climate and fluctuations in the stock market.

*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 managers discretion to manage the portfolio within an agreed risk profile.

**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2018**

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**Financial Review***Review of activities*

During the year the Charity had total incoming resources of £762,449 (2017: £1,064,709) and there was a net decrease in funds of £84,840 (2017: £159,764 increase). The total restricted funds at the end of the period amounted to £174,779 (2017: £286,325), endowment funds amounted to £71,868 (2017: £74,315) and unrestricted funds (not designated for specific purposes) amounted to £66,797 (2017: £42,644). Note 17 to the accounts shows unrestricted fixed assets of £200,000 (2017: £212,500); free reserves, as defined by SORP 2015, were therefore in deficit by £133,203 (2017: £169,856).

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the accounts comply 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 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 or free reserves 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 £462,944 was paid by way of grants to service users and a further 263 grants totalling £307,217 were remitted directly by the donor charity to individual service users following referral by ourselves.

**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. Funding was also secured in the year from Big Potential, a Big Lottery funded initiative to help voluntary and community sector agencies develop social enterprises to strengthen their sustainability. A business plan was successfully developed with the help of Eastside Primetimers and the Trustees have committed in the coming year to establish a trading arm to supply low cost domestic appliances to the charity's beneficiaries.



**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2018****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' entitled to small companies exemptions.

On behalf of the board of Trustees



CE Smith  
Chairman/Trustee  
6 November 2018

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

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**Opinion**

We have audited the financial statements of Leicester Charity Organisation Society (the 'charitable company') for the year ended 31 March 2018 which comprise Statement of Financial Activities, Balance Sheet, Cashflow Statement 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).

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 2018, 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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 we have fulfilled our other ethical responsibilities in accordance with these 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 charitable company'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 included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.



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

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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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

**Opinions 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 (incorporating the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and has been prepared in accordance with applicable legal requirements.

**Matters 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 trustees' report; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies' exemptions in preparing the trustee's report (incorporating the directors' report).

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement 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, 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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

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**Auditor's 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 an auditor's report 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the charitable company'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 charitable company's trustees 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 the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

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

6 November 2018

Chartered Accountants  
Statutory Auditor

30 Nelson Street  
Leicester  
LE1 7BA

**STATEMENT OF FINANCIAL ACTIVITIES**  
**INCLUDING INCOME AND EXPENDITURE ACCOUNT**  
**AT 31 MARCH 2018**

	Notes	Unrestricted Funds	Restricted Funds	Designated Funds	Endowment Funds	Total 2018	Total 2017
<b>Income from:</b>							
Voluntary Income	2	256,116	349,814	-	-	605,930	827,202
Administration fees		32,954	-	-	-	32,954	32,230
Investment income	3	14,597	2,695	-	-	17,292	14,980
<b>Incoming resources from charitable activities</b>	4	<u>51,929</u>	<u>54,344</u>	<u>-</u>	<u>-</u>	<u>106,273</u>	<u>190,297</u>
<b>Total income</b>		<u>355,596</u>	<u>406,853</u>	<u>-</u>	<u>-</u>	<u>762,449</u>	<u>1,064,709</u>
<b>Expenditure on:</b>							
Raising funds	5	70,533	590	-	-	71,123	70,454
<b>Charitable Activity</b>							
Relief of poverty	5	<u>256,910</u>	<u>517,809</u>	<u>-</u>	<u>-</u>	<u>774,719</u>	<u>824,211</u>
<b>Total expenditure</b>		<u>327,443</u>	<u>518,399</u>	<u>-</u>	<u>-</u>	<u>845,842</u>	<u>894,665</u>
Realised gain/(loss) on Investment assets		-	-	-	21	21	-
Unrealised gain/(loss) on investment assets	17	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,468)</u>	<u>(2,468)</u>	<u>7,720</u>
<b>Net income/(expenditure)</b>		<u>28,153</u>	<u>(111,546)</u>	<u>-</u>	<u>(2,447)</u>	<u>(85,840)</u>	<u>177,764</u>
Transfers between funds	19	<u>(5,000)</u>	<u>-</u>	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>23,153</u>	<u>(111,546)</u>	<u>5,000</u>	<u>(2,447)</u>	<u>(85,840)</u>	<u>177,764</u>
Pension deficit adjustment	13	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,000</u>	<u>(18,000)</u>
<b>Net movement in funds</b>		<u>24,153</u>	<u>(111,546)</u>	<u>5,000</u>	<u>(2,447)</u>	<u>(84,840)</u>	<u>159,764</u>
<b>Fund balances at 1 April 2017</b>		<u>42,644</u>	<u>286,325</u>	<u>30,000</u>	<u>74,315</u>	<u>433,284</u>	<u>273,520</u>
<b>Fund balances at 31 March 2018</b>		<u>£66,797</u>	<u>£174,779</u>	<u>£35,000</u>	<u>£71,868</u>	<u>£348,444</u>	<u>£433,284</u>

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 2018**

	Notes	<u>2018</u>	<u>2017</u>
<b>Fixed assets</b>			
Tangible assets	9	200,000	212,500
Investments	10	69,461	72,411
		<hr/>	<hr/>
		269,461	284,911
<b>Current assets</b>			
Debtors	11	63,324	66,347
Cash at bank and in hand		<hr/>	<hr/>
		376,881	558,738
		440,205	625,085
<b>Creditors: amounts falling due within one year</b>	12	<hr/>	<hr/>
		(95,222)	(170,712)
<b>Net current assets</b>		344,983	454,373
<b>Creditors: amounts falling due after one year</b>	13	<hr/>	<hr/>
		(266,000)	(306,000)
<b>Total assets</b>		<hr/>	<hr/>
		£348,444	£433,284
<b>Capital fund</b>			
Endowment	15	71,868	74,315
Designated funds	16	35,000	30,000
<b>Income funds</b>			
Restricted funds	14	174,779	286,325
Unrestricted funds		66,797	42,644
		<hr/>	<hr/>
		£348,444	£433,284

These accounts were approved by the Trustees on 6 November 2018.

Signed on behalf of the Trustees,



CE Smith  
Chairman  
Company Registration No. 03761954

**STATEMENT OF CASHFLOWS**  
**YEAR ENDED 31 MARCH 2018**

	<u>Notes</u>	<u>2018</u>	<u>2017</u>
<b>Cash flow from operating activities</b>			
Cash generated from operations	<b>21</b>	(199,652)	134,897
		<hr/>	<hr/>
<b>Net cash flow from operating activities</b>		(199,652)	134,897
		<hr/>	<hr/>
<b>Cash flow from investing activities</b>			
Payments to acquire investments		-	-
Receipts from sales of investments		503	-
Investment income received		17,292	14,980
		<hr/>	<hr/>
<b>Net cash flow from investing activities</b>		17,795	14,980
		<hr/>	<hr/>
<b>Net increase/(decrease) in cash and cash equivalents</b>		(181,857)	149,877
Cash and cash equivalents at 1 April 2017		558,738	408,861
		<hr/>	<hr/>
Cash and cash equivalents at 31 March 2018		<u>376,881</u>	<u>£558,738</u>
<b>Cash and cash equivalents consists of:</b>			
Cash at bank and in hand		376,881	558,738
		<hr/>	<hr/>
<b>Cash and cash equivalents at 31 March 2018</b>		<u>376,881</u>	<u>£558,738</u>

**NOTES TO THE ACCOUNTS  
YEAR ENDED 31 MARCH 2018**

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**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 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.

**1.3 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.

**1.4 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

**1.5 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.



**NOTES TO THE ACCOUNTS (CONTINUED)**  
**YEAR ENDED 31 MARCH 2018**

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**1.6 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.

**1.7 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.

In addition, the Charity also operates a defined contribution pension scheme for the benefit of its employees which is independently administered by The Pensions Trust. The expenses of the scheme are charged to the SOFA as and when they fall due.

**1.8 Taxation**

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

**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 2018**

<b>2</b>	<b>Voluntary income</b>	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>2018</b>	<b>2017</b>
	Core grants	-	349,314	349,314	544,629
	Donations, subscriptions and discounts received	73,376	500	73,876	72,409
	Income from fundraising	182,740	-	182,740	209,350
	Legacies	-	-	-	814
		<u>£256,116</u>	<u>£349,814</u>	<u>£605,930</u>	<u>£827,202</u>
<b>3</b>	<b>Investment income</b>	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>2018</b>	<b>2017</b>
	Rental income	13,370	-	13,370	10,805
	Income from listed investments	805	2,695	3,500	3,363
	Interest receivable	422	-	422	812
		<u>£14,597</u>	<u>£2,695</u>	<u>£17,292</u>	<u>£14,980</u>
<b>4</b>	<b>Incoming resources from charitable activities</b>				
	<b>Grants receivable for charitable activities</b>			<b>2018</b>	<b>2017</b>
	<b>Unrestricted funds:</b>				
	Leicester City Council			36,385	36,777
	Leicestershire County Council			15,544	15,587
	Hinckley & Bosworth Borough Council			-	448
				<u>£51,929</u>	<u>£52,812</u>
	<b>Restricted funds:</b>				
	Leicester City Council			10,433	17,837
	Leicestershire County Council			4,456	4,413
	Northamptonshire County Council: Sustaining Independent Living Scheme			-	1,302
	Leicester / Leicestershire Primary Care Trusts			10,418	10,418
	Big Potential			29,037	-
	Leicester City Council; Community Support Grant Scheme			-	103,515
				<u>54,344</u>	<u>137,485</u>
	<b>Total</b>			<u>£106,273</u>	<u>£190,297</u>

**NOTES TO THE ACCOUNTS (CONTINUED)**  
**YEAR ENDED 31 MARCH 2018**

**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 2018	Total 2017
<b>Costs of generating funds:</b>					
Fundraising and publicity	58,906	-	12,217	71,123	70,454
<b>Charitable Activity – Relief of Poverty:</b>					
Grants payable (note 6)	-	-	462,944	462,944	525,386
Employment costs	215,125	-	-	215,125	232,550
Administration costs	-	12,500	84,150	96,650	66,275
	215,125	12,500	547,094	774,719	824,211
	<u>£274,031</u>	<u>£12,500</u>	<u>£559,311</u>	<u>£845,842</u>	<u>£894,665</u>
				<b>2018</b>	<b>2017</b>

**6 Grants payable**

Grants to institutions – 4 (2017 – 6 grants)	1,310	13,150
Grants to individuals – 2,753 (2017 – 3,292 grants)	454,634	512,236
	<u>£462,944</u>	<u>£525,386</u>

The institutions to benefit from grants were: Douglas Macmillan Hospice £100, MS Society £110, Kathrine House Hospice £200 and Rotary Club of Leicester £1,000. In addition to the above grants administered through the Society, a further 263 awards totalling £306,217 were secured on behalf of individuals and institutions. These grants were remitted directly by the donors to the beneficiaries.

**7 Employees**

**Number of employees**

The average monthly number of employees during the year was:	<u>12</u>	<u>13</u>
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**Employment costs**

Wages and salaries	238,752	258,838
Social security costs	16,559	17,449
Other pension costs	18,720	17,205
	<u>£274,031</u>	<u>£293,492</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 £98,924 (2017 - £96,033).

**NOTES TO THE ACCOUNTS (CONTINUED)**  
**YEAR ENDED 31 MARCH 2018**

**8 Other costs**

<b>Fundraising and publicity</b>	<b><u>2018</u></b>	<b><u>2017</u></b>
Promotion	11,627	13,383
Investment management fees	590	497
	<u>£12,217</u>	<u>£13,880</u>
<b>Charitable activity administration costs</b>		
Rates	176	192
Insurance	2,245	2,792
Light and heat	3,234	3,379
Repairs and maintenance	549	385
Stationery	6,246	7,108
Telephone and fax	2,903	2,686
Travelling expenses	936	1,644
Legal and professional	1,748	2,537
Sundry expenses	1,719	1,651
Recruitment expenses	1,979	199
Subscriptions	1,354	629
Bank charges	850	862
Cleaning	5,024	5,204
Computer expenses	15,785	6,440
Health and safety	914	1,058
Staff training	669	393
Postage	5,393	5,471
Food bank running costs	-	737
Big Potential (outsourced services)	26,650	-
Auditor's remuneration	5,700	5,550
Trustees' expenses	76	25
	<u>£84,150</u>	<u>£48,942</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 (2017 – one trustee).

**NOTES TO THE ACCOUNTS (CONTINUED)**  
**YEAR ENDED 31 MARCH 2018**

**9 Tangible fixed assets**

	<b>Leasehold property</b>	<b>Fixtures Fittings &amp; equipment</b>	<b>Total</b>
<b>Cost/Valuation</b>			
At 31 March 2017	237,500	38,633	276,133
Revaluation	-	-	-
Disposal	-	-	-
<b>At 31 March 2018</b>	<b>£237,500</b>	<b>£38,633</b>	<b>£276,133</b>
<b>Depreciation</b>			
At 31 March 2017	25,000	38,633	63,633
Charge for the period	12,500	-	12,500
Eliminated on revaluation	-	-	-
Disposal	-	-	-
<b>At 31 March 2018</b>	<b>£37,500</b>	<b>£38,633</b>	<b>£76,133</b>
<b>Net book value</b>			
At 31 March 2018	£200,000	£-	£200,000
At 31 March 2017	£212,500	£-	£212,500

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. The lease expires in 2034.

**10 Fixed asset investments**

**Listed investments**

Market value at 31 March 2017	72,411
Disposals at opening book value	(482)
Acquisitions at cost	-
Net unrealised gain on revaluation	(2,468)
<b>Market value at 31 March 2018</b>	<b>£69,461</b>
<b>Historical cost:</b>	
At 31 March 2018	£62,411
<b>Historical cost:</b>	
At 31 March 2017	£62,827

All investments were held in the United Kingdom. The Trustees consider that there were no individual material investments held at the end of the year.

**NOTES TO THE ACCOUNTS (CONTINUED)**  
**YEAR ENDED 31 MARCH 2018**

**11 Debtors**

	<u>2018</u>	<u>2017</u>
Trade debtors	51,362	38,345
Income tax recoverable	3,457	14,742
Other debtors	-	-
Prepayments and accrued income	8,505	13,260
	<u>£63,324</u>	<u>£66,347</u>

**12 Creditors: amounts falling due within one year**

	<u>2018</u>	<u>2017</u>
Trade creditors	38,464	71,242
Taxes and social security costs	4,947	4,685
Other creditors	6,236	465
Accruals and deferred income	6,575	56,320
Pension deficit	39,000	38,000
	<u>£95,222</u>	<u>£170,712</u>

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

Balance at 31 March 2017	875	1,458
Donations received	-	875
Released to statement of financial activities	-	(1,458)
	<u>£875</u>	<u>£875</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 2018 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 2018 is 1.71%.

	<u>2018</u>	<u>2017</u>
Liability at 1 April 2017	344,000	363,000
Unwinding of the discount factor	3,000	7,000
Deficit contributions paid	(38,000)	(37,000)
Re-measurements	(4,000)	11,000
	<u>£305,000</u>	<u>£344,000</u>
Liability at 31 March 2018	<u>£305,000</u>	<u>£344,000</u>
Due within 1 year	<u>£39,000</u>	<u>£38,000</u>
Due after 1 year	<u>£266,000</u>	<u>£306,000</u>



**NOTES TO THE ACCOUNTS (CONTINUED)**  
**YEAR ENDED 31 MARCH 2018**

**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 2017	Transfer Out	Movement in funds		Balance 31 March 2018
			Incoming Resource	Resources Expended	
Charity of Carlton Hayes Hospital	11,468	-	18,000	25,582	3,886
Covenants	36,154	-	-	6,310	29,844
Leicester Children's Aid Association	3,404	-	3,195	3,111	3,488
Big Potential Fund	-	-	29,037	29,037	-
Other funds held for distribution to the needy	235,299	-	356,621	454,359	137,561
	<u>£286,325</u>	<u>£-</u>	<u>£406,853</u>	<u>£518,399</u>	<u>£174,779</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 2018**

**17 Analysis of net assets between funds**

	Unrestricted funds	Restricted funds	Designated funds	Endowment funds	Total funds 2018	Total Funds 2017
<b>Fund balances at 31 March 2018 are represented by:</b>						
Tangible fixed assets	200,000	-	-	-	200,000	212,500
Investments	-	-	-	69,461	69,461	72,411
Current assets	228,019	174,779	35,000	2,407	440,205	625,085
Creditors: amounts falling due within one year	(95,222)	-	-	-	(95,222)	(170,712)
Creditors: amounts falling due after one year	(266,000)	-	-	-	(266,000)	(306,000)
	<u>£66,797</u>	<u>£174,779</u>	<u>£35,000</u>	<u>£71,868</u>	<u>£348,444</u>	<u>£433,284</u>
<b>Unrealised gains included above:</b>						
On investments (see below)	-	-	-	£7,050	£7,050	£9,584
<b>Reconciliation of movements in unrealised Gains/(losses) on investment assets</b>						
Unrealised gains at 1 April 2017	-	-	-	9,584	9,584	1,864
Deduct in respect of disposals in year	-	-	-	(66)	(66)	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,518</u>	<u>9,518</u>	<u>-</u>
Net gain arising in year	-	-	-	(2,468)	(2,468)	7,720
Unrealised gains at 31 March 2018	<u>£-</u>	<u>£-</u>	<u>£-</u>	<u>£7,050</u>	<u>£7,050</u>	<u>£9,584</u>

**NOTES TO THE ACCOUNTS (CONTINUED)**  
**YEAR ENDED 31 MARCH 2018**

**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:-

	2018 £	2017 £
Leicester Indigent Old Age Society	1,093	6,053
Leicestershire and Rutland County Nursing Association	55,500	54,050
The Mansion Trust (UK)	1,982	2,464
The Nicholson Memorial Fund (Rosehill Trust)	7,300	9,531
R Daphne Plunket Charitable Trust	14,361	7,338
Wyggeston's Hospital	18,125	17,500
Edward Wood Poor Widows	2,512	1,090
Alderman Newton's Educational Foundation	11,453	10,800
Charity of Carlton Hayes Hospital	20,000	60,000
Leicester Aid in Sickness Fund	5,998	8,006
Florence Turner Trust	8,100	17,100
The Maud Elkington Charitable Trust	30,700	80,700
The Head Start Trust	-	40,725
The Goddard & Evans Memorial Trust	40,453	-

The trustees, A H Jarvis and C E Shevas, are directors of The Rowleys Partnership Limited, Chartered Accountants. During the year the Charity paid this company £820 in respect of accounting software transition assistance. A H Jarvis is also a director of the charity's investment advisors Rowley Turton (IFA) Limited. During the year the charity paid £590 in respect of investment management charges to Rowley Turton (IFA) Limited.

**19 Transfer between funds**

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

	2018 £	2017 £
Operating leases which expire:		
Within one year	1,490	-
Between two and five years	-	2,980

NOTES TO THE ACCOUNTS (CONTINUED)  
YEAR ENDED 31 MARCH 2018

21 Reconciliation of net income to net cash flow from operations

	2018 £	2017 £
Net movement in funds	(84,840)	159,764
Depreciation of tangible fixed assets	12,500	12,500
(Gains)/losses on investments	2,447	(7,720)
Investment income	(17,292)	(14,980)
Decrease/(increase) in debtors	3,024	16,692
Increase/(decrease) in creditors	(115,491)	(31,359)
	<hr/>	<hr/>
Net cash flow from operations	£(199,652)	£134,897