

Charity registration number: 1027652

# Mountsorrel United Charities

Annual Report and Financial Statements

for the Year Ended 31 December 2021

# Mountsorrel United Charities

## Contents

Trustees' Report	1 to 7
Statement of Trustees' Responsibilities	8
Independent Auditors' Report	9 to 11
Statement of Financial Activities	12
Balance Sheet	13
Notes to the Financial Statements	14 to 23

# **Mountsorrel United Charities**

## **Trustees' Report**

### **Reference and Administrative Details**

#### **Principal office:**

7 Oakthorpe Avenue, Leicester, LE3 0UR

#### **Clerk to the trustees:**

Jane Hammond  
janelouisehammond@gmail.com

#### **Bankers:**

National Westminster Bank plc, Market Place, Loughborough LE11 3NZ

#### **Auditor:**

RWB, Chartered Accountants, Northgate House, North Gate, New Basford, Nottingham NG7 7BQ

#### **Investment adviser:**

Brewin Dolphin Ltd, 35 Station Street, Nottingham NG2 3DQ

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

The Mountsorrel United Charities comprises the following:

- Mountsorrel United Charities (1027652)
- Consolidated Charity (linked charity 1027652-1)
- Nidd and Danvers Charity (linked charity 1027652-2)

Additionally, Charity Commission schemes for Mountsorrel Relief in Need Charity (known as Mountsorrel Community Support Fund from March 2021), and the linked Charity of Hugh Phipps require their trustees to be the same as those of Mountsorrel United Charities:

- Mountsorrel Relief in Need Charity (217615)
- Charity of Hugh Phipps (linked charity 217615-1)

Charity Commission schemes relating to the above entities are:

- Mountsorrel United Charities (scheme dated 1 September 1993)
- Mountsorrel Relief in Need Charity (schemes dated 3 March 1977 and 27 January 1993)
- Charity of Hugh Phipps (scheme dated 3 March 1977 and linking direction dated 14 April 2020)

For efficiency, the business of Mountsorrel United Charities, Mountsorrel Relief in Need Charity and the Charity of Hugh Phipps is combined (and demarcated) at each trustees meeting.

# **Mountsorrel United Charities**

## **Trustees' Report**

### **TRUSTEES**

The Charity Commission scheme dated 1st September 1993 for Mountsorrel United Charities stipulates that there should be sixteen trustees:

- Ten co-opted trustees (who live, work or otherwise have knowledge of Mountsorrel parish)
- Five trustees nominated by Mountsorrel Parish Council
- 1 ex-officio trustee (the Priest in Charge of Christ Church and St Peter's Church in Mountsorrel)

Co-opted trustees who served during the period were:

- Christopher William Berry
- Alan John Brown (appointed 9th June 2021)
- Roger Verdun Carroll
- Daisy Eng Kim Chan (resigned 21st July 2021)
- Benjamin Evan Davies
- Jayne Elizabeth Ilett (Vice Chair)
- George Overton (Chair)
- Trevor Rigley (resigned 17th March 2021)
- Linda Ann Tyman
- Geoff Wainwright
- Rachel Helen White (appointed 10th March 2021)

Nominated trustees who served during the period were:

- Elizabeth Mary Blackshaw
- Paul Albert Harris
- Stephen Roy Haywood (resigned 19th July 2021)
- Penelope Jane Maguire
- Frederick Lewis Newitt

The ex-officio trustee who served during the period was:

- Reverend Colin Ernst Resch

### **RECRUITMENT AND INDUCTION OF TRUSTEES**

When co-opted trustee vacancies arise, these are openly advertised locally, online and offline. Vacancies for Mountsorrel Parish Council nominated trustees are agreed at meetings of the Parish Council.

When recruited, new trustees receive an induction pack (online and on paper) including governing documents, annual report, recent minutes, and guidance from the Charity Commission and other bodies; including about the responsibilities of charity trustees. Further induction and training take place in person with the Chair and others as appropriate.

New trustees also certify that they are not excluded from acting as trustees, and complete a declaration of interest form.

# Mountsorrel United Charities

## Trustees' Report

### OBJECTIVES AND ACTIVITIES

The Mountsorrel United Charities have been caring for the people of Mountsorrel since 1874, when several smaller charities were combined.

The oldest of these was the Charity of Ralph Smalley and dates back to 1665. Further amalgamations have taken place since 1874, incorporating charities associated with local philanthropists such as Richard Nidd (a London clerk born in Mountsorrel in the sixteenth century), Thomas Statham (an innkeeper who died in 1680), Sir Joseph Danvers (Lord of the Manor 1793), and others.

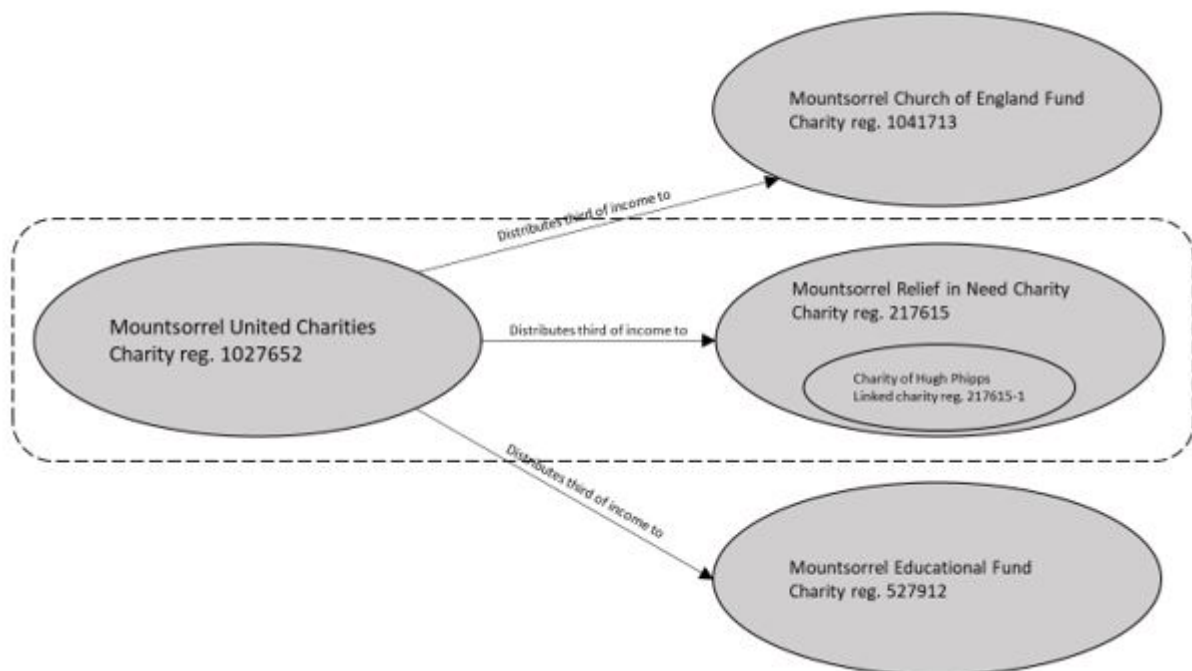
Mountsorrel United Charities acts as an umbrella organisation, investing funds and distributing income derived from an investment portfolio comprising:

1. A main general investment portfolio held with and managed by Brewin Dolphin since 2008
2. Land and buildings at Launde Farm, Glaston, Uppingham in Rutland, purchased in 2008 as an investment property to generate income in the very long term and managed by Andrew Granger & Co, Loughborough
3. COIF Charities Investment Fund income units managed by CCLA

Income is divided equally between three separate independent charities, each registered with the Charity Commission:

- Mountsorrel Relief in Need Charity (217615)
- Mountsorrel Church of England Fund (1041743)
- Mountsorrel Educational Fund (527912)

See organogram for more information.



# Mountsorrel United Charities

## Trustees' Report

### ACHIEVEMENTS AND PERFORMANCE

Over the year the usual work of Mountsorrel United Charities continued - in investing funds and distributing income for the benefit of its constituent charities, as outlined above.

Investment update reports were received from investment managers Brewin Dolphin and property managers Andrew Granger for consideration by the finance committee, and the full board of trustees, at each of their meetings during the year.

The finance committee (established in 2019) met three times in 2021, with the overall purpose of:

- Overseeing the financial framework of the charity and the effective use of assets so as to ensure continued financial viability
- Maximising investment income based on an established investment policy, reporting to MUC trustees as appropriate

Alongside MUC/ Relief in Need Charity trustees, the chairperson of both the Mountsorrel Church of England Fund and the Mountsorrel Educational Fund attended all finance committee meetings during the year and participated in all decisions relating to investment management and investment policy.

Although responsibility for monitoring investments is delegated to the finance committee, all proposals and recommendations from the finance committee are ratified by the MUC main board.

The following work was undertaken by the finance committee in 2021 and ratified by the full board of trustees:

- An investment policy was adopted in January and further revised in September
- Work to repair sewage leaks was undertaken at Launde Farm in February, as well as electrical repairs highlighted by an electrical installation condition report in April
- MUC and Relief in Need Charity finances were fully separated when a new bank account was opened for the Relief in Need Charity in March
- A review of the apportioning of clerking costs between the three beneficiary charities was undertaken in May, but trustees decided that no changes were needed
- An ethical investment policy was adopted in June
- Trustees considered an appraisal report in relation to the land and property at Launde Farm in June, reviewed the ongoing viability of continuing to hold an investment in property and land and also visited Launde Farm in September
- Work to update the title deed to Launde Farm was initiated in September
- Trustees considered and accepted a revised and fully updated governance cycle in December
- The reserves policy was revised in December and adopted in January 2022
- A review of finance procedures was conducted and distribution of quarterly net income to the three beneficiary charities was established during the year

Income targets are currently estimated at £160,000 per charity per year, meaning the total return sought annually is at least £480,000. A meeting was held with Brewin Dolphin in January 2021 and again in January 2022 to discuss and confirm the income target for the forthcoming year.

# Mountsorrel United Charities

## Trustees' Report

### Public Benefit

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

### Impact of Covid-19

Despite the ongoing Covid-19 global pandemic the portfolio was in a robust position at the end of the year, having made a total return of almost 14%. Changes made the previous year had enabled the portfolio to be reorganised and repositioned and allocations had continued to change during the course of the year, with increased exposure to US markets in particular.

For much of the year trustees continued to conduct virtual meetings using the Zoom application.

### FINANCIAL REVIEW

#### Results

Income for the year derived from investments was £318,003 (2020: £355,150). Expenditure totalled £750,139 (2020: £748,478), and there was an overall gain on investment assets of £1,509,887 (2020: £330,130) giving rise to a surplus/(deficit) of £1,077,751 (2020: (£63,198)).

#### Investments

The trustees reviewed their investment performance against other investments, e.g. fixed interest, UK and international equities, alternatives, and cash.

The trustees, under the Trustee Act 2000, have a statutory duty of care. It applies to:

- Exercise of their power of investment
- Obligation to review the investments
- Obligation to review any arrangements with an agent nominee or custodian

Under the Act the trustees exercise such care and skill as is reasonable in the circumstances, having regard to:

- Any special knowledge or experience that the trustees have or claim to have. Where any trustee is acting as such in the course of a business or profession, regard must be had to any special knowledge or experience that it is reasonable to expect of a person acting in the course of that kind of business or profession
- The suitability of the investment being selected or reviewed for the organisation
- The need to diversify the charity's investments

The Trustees will take proper advice unless they reasonably conclude it is unnecessary or inappropriate to do so. They will also follow the standard investment criteria and consider:

- The suitability of the investment being selected or reviewed for the organisation
- The need to diversify the charity's investments

#### Delegating powers

The trustees continued to delegate powers to Brewin Dolphin to manage funds on a discretionary basis.

# Mountsorrel United Charities

## Trustees' Report

### Investment objective

For several decades, the overall investment strategy was broadly based on a relatively cautious attitude to risk, with guarantees attached where available. Capital growth of 3% per annum or more was sought, with an income generation of 3-4% per annum to meet expenditure requirements, arising from investments in a portfolio comprised of equities, fixed interest stocks, property, land and cash.

In 2020, following lengthy discussion, trustees decided to change the investment objective from income generation to total return. In practice this means that, in future, trustees are prepared to have a greater proportion of investments held in equities, with the aim of achieving a higher investment return over the long-term, and understand that a greater allocation to equities means the portfolio may experience a heightened level of volatility over the investment term. The portfolio will typically include two thirds of the assets invested in equities whilst the remainder will be split between cash, fixed income and alternatives.

Despite being prepared to accept fluctuations in the value of the portfolio to achieve investment goals, the aim is still to grow the fund ahead of inflation.

The trustees will consider the charity's needs and those of its beneficiaries in the short, medium and long term on the above basis.

The investment of £1.2 million made in land is viewed as a long-term investment.

### Reserves policy

The trustees have considered the level of reserves held by the charity as at 31 December 2021.

Reserves are required to enable the charity to maintain its current activities and to meet its long term aims. It is the policy of the charity to maintain funds that are free reserves, at a level that equates to approximately one year's unrestricted management, administration and support costs. Free reserves are the part of a charity's unrestricted funds that are freely available to spend on any of the charity's purposes.

In determining the target level of reserves, the trustees have reviewed the risks faced both short and medium term to ensure the charity will continue to operate on a going concern basis.

The trustees will keep the level of reserves in check by reviewing it alongside their quarterly review of management accounts.

The reserves policy will be reviewed from time to time in line with the governance cycle.

### Risk management

The trustees have examined the major strategic business and operational risks that the charity faces. Systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks.

# Mountsorrel United Charities

## Trustees' Report

### PLANS FOR FUTURE PERIODS

In 2022, trustees plan to:

- Review the risk management policy
- Work with the property manager to investigate the possible promotion of land at Launde Farm for development (further to a decision in 2021 by Rutland County Council to re-write the Local Plan)

### Fundraising disclosures

The charity does not carry out significant fundraising activities that require disclosure under the Charities Act 2011.

### Financial instruments

#### *Objectives and policies*

The charity's activities expose it to a number of financial risks including credit risk.

#### *Credit risk*

The charity's principal financial assets are bank balances and investments.

### Endowment fund is invested on a total return basis

#### **Brewin Dolphin**

On 1 January 2021 the initial value of the trust for investment was established and on 1 January 2021 the initial value of the unapplied total return was established.

The policy used to identify the initial amounts of the trust for investment was an assessment of the market value of the portfolio. An analysis was performed on 1 January 2021 to identify the initial amounts of the trust for investment.

The trustees will consider both the current and future levels of need against the anticipated future investment returns. The level of Unapplied Total Returns is kept under review by the trustees.

Any allocation will be based upon specific levels of need that the charity serves. The trustees would look to recoup this back to the investment fund as quickly as is practical based upon future investment returns against levels of charitable need arising at the time.

David Judge, Chartered FCSI advised the charity on a total return approach to investments.

### Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

The annual report was approved by the trustees of the charity on 8 June 2022 and signed on its behalf by:

.....  
G Overton  
Chair and trustee

## Mountsorrel United Charities

### Statement of Trustees' Responsibilities

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

The law applicable to charities 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;
- 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; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping 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 applicable Charities (Accounts and Reports) Regulations, and the provisions of the constitution. The trustees 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.

Approved by the trustees of the charity on 8 June 2022 and signed on its behalf by:

.....  
G Overton  
Chair and trustee

## **Mountsorrel United Charities**

### **Independent Auditor's Report to the Members of Mountsorrel United Charities**

#### **Opinion**

We have audited the financial statements of Mountsorrel United Charities (the 'charity') for the year ended 31 December 2021, which comprise the Statement of Financial Activities, 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 United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2021 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 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 auditor 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 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**

In auditing the financial statements, we have concluded that the trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

#### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the 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.

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.

## **Mountsorrel United Charities**

### **Independent Auditor's Report to the Members of Mountsorrel United Charities**

#### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 8), 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 related 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 have no realistic alternative but to do so.

#### **Auditor Responsibilities for the audit of the financial statements**

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

A further description of our responsibilities is available 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.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

## Mountsorrel United Charities

### Independent Auditor's Report to the Members of Mountsorrel United Charities

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charities internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charities ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the charity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the charity audit. We remain solely responsible for our audit opinion.

A further description of our responsibilities is available 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 charity trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our work has been undertaken so that we might state to the trustees those matters we are required to state to trustees in an auditors' 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 charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

.....  
RWB CA Limited, Statutory Auditor

Northgate House  
North Gate  
New Basford  
Nottingham  
NG7 7BQ

8 June 2022

RWB CA Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

## Mountsorrel United Charities

### Statement of Financial Activities for the Year Ended 31 December 2021

	Note	Unrestricted funds £	Endowment funds £	Total 2021 £
<b>Income and Endowments from:</b>				
Investment income	2	23,628	294,375	318,003
Total income		<u>23,628</u>	<u>294,375</u>	<u>318,003</u>
<b>Expenditure on:</b>				
Raising funds	3.1	(11,573)	(51,798)	(63,371)
Charitable activities	4	(14,391)	(672,377)	(686,768)
Total expenditure		(25,964)	(724,175)	(750,139)
Gains/losses on investment assets		-	1,509,887	1,509,887
Net (expenditure)/income		<u>(2,336)</u>	<u>1,080,087</u>	<u>1,077,751</u>
Net movement in funds		(2,336)	1,080,087	1,077,751
<b>Reconciliation of funds</b>				
Total funds brought forward		<u>1,823,849</u>	<u>12,650,737</u>	<u>14,474,586</u>
Total funds carried forward	16	<u><u>1,821,513</u></u>	<u><u>13,730,824</u></u>	<u><u>15,552,337</u></u>
	Note	Unrestricted funds £	Endowment funds £	Total 2020 £
<b>Income and Endowments from:</b>				
Investment income	2	355,150	-	355,150
Total income		<u>355,150</u>	<u>-</u>	<u>355,150</u>
<b>Expenditure on:</b>				
Raising funds	3.1	(1,941)	(44,879)	(46,820)
Charitable activities	4	(299,162)	(402,496)	(701,658)
Total expenditure		(301,103)	(447,375)	(748,478)
Gains/losses on investment assets		-	330,130	330,130
Net income/(expenditure)		<u>54,047</u>	<u>(117,245)</u>	<u>(63,198)</u>
Net movement in funds		54,047	(117,245)	(63,198)
<b>Reconciliation of funds</b>				
Total funds brought forward		<u>1,769,802</u>	<u>12,767,982</u>	<u>14,537,784</u>
Total funds carried forward	16	<u><u>1,823,849</u></u>	<u><u>12,650,737</u></u>	<u><u>14,474,586</u></u>

All of the charity's activities derive from continuing operations during the above two periods.  
The funds breakdown for 2020 is shown in note 16.

## Mountsorrel United Charities

### Balance Sheet as at 31 December 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	11	-	293
Investments	12	<u>15,571,631</u>	<u>14,540,275</u>
		<u>15,571,631</u>	<u>14,540,568</u>
<b>Current assets</b>			
Debtors	13	15,376	16,596
Cash at bank and in hand	14	<u>170,931</u>	<u>384,198</u>
		186,307	400,794
<b>Creditors: Amounts falling due within one year</b>	15	<u>(205,601)</u>	<u>(466,776)</u>
<b>Net current liabilities</b>		<u>(19,294)</u>	<u>(65,982)</u>
<b>Net assets</b>		<u>15,552,337</u>	<u>14,474,586</u>
<b>Funds of the charity:</b>			
<b>Endowment</b>		13,730,824	12,650,737
<b>Unrestricted income funds</b>			
Unrestricted		<u>1,821,513</u>	<u>1,823,849</u>
<b>Total funds</b>	16	<u>15,552,337</u>	<u>14,474,586</u>

The financial statements on pages 12 to 23 were approved by the trustees, and authorised for issue on 8 June 2022 and signed on their behalf by:

.....  
G Overton  
Chair and trustee

# Mountsorrel United Charities

## Notes to the Financial Statements for the Year Ended 31 December 2021

### 1 Accounting policies

#### Statement of compliance

The financial statements have been prepared in accordance with the second edition of the Charities Statement of Recommended Practice issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the 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 issued in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

#### Basis of preparation

Mountsorrel United Charities meets the definition of a public benefit entity under FRS 102. The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

#### Exemption from preparing a cash flow statement

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

#### Going concern

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

#### Income and endowments

##### *Investment income*

Dividends are recognised once the dividend has been received.

##### **Expenditure**

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, its probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure headings that aggregate similar costs to that category.

##### *Raising funds*

These are costs incurred in the management of investments.

##### *Charitable activities*

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

# Mountsorrel United Charities

## Notes to the Financial Statements for the Year Ended 31 December 2021

### **Grant provisions**

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

### **Governance costs**

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

### **Taxation**

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

### **Tangible fixed assets**

Individual fixed assets costing £100.00 or more are initially recorded at cost.

### **Depreciation and amortisation**

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Equipment	Straight line basis over 3 years

### **Investment properties**

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined periodically by external valuers. The valuers use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in profit or loss.

### **Fixed asset investments**

Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

### **Fund structure**

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

Permanent endowment funds are restricted funds held for income generation.

## Mountsorrel United Charities

### Notes to the Financial Statements for the Year Ended 31 December 2021

#### Financial instruments

##### *Investments*

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

##### *Fair value measurement*

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

#### 2 Investment income

	<b>Unrestricted funds General £</b>	<b>Endowment funds Permanent £</b>	<b>Total 2021 £</b>
Other income from fixed asset investments	6,737	294,375	301,112
Income from rents	16,891	-	16,891
	23,628	294,375	318,003
		<b>Unrestricted funds General £</b>	<b>Total 2020 £</b>
Other income from fixed asset investments		337,953	337,953
Income from rents		17,197	17,197
		355,150	355,150

#### 3 Expenditure on raising funds

##### a) Investment management costs

	<b>Note</b>	<b>Unrestricted funds General £</b>	<b>Endowment funds Permanent £</b>	<b>Total 2021 £</b>
Other investment management costs;				
Other portfolio management costs		-	51,798	51,798
Costs of rent collection		1,904	-	1,904
Property repairs		9,669	-	9,669
		11,573	51,798	63,371

## Mountsorrel United Charities

### Notes to the Financial Statements for the Year Ended 31 December 2021

	Note	Unrestricted funds General £	Endowment funds Permanent £	Total 2020 £
Other investment management costs;				
Other portfolio management costs		-	44,879	44,879
Costs of rent collection		1,941	-	1,941
		<u>1,941</u>	<u>44,879</u>	<u>46,820</u>
			<b>Direct costs</b>	<b>Total</b>
			<b>£</b>	<b>2021</b>
Investment management costs			<u>63,371</u>	<u>63,371</u>
			<b>Direct costs</b>	<b>Total</b>
			<b>£</b>	<b>2020</b>
Investment management costs			<u>46,820</u>	<u>46,820</u>

#### 4 Expenditure on charitable activities

	Unrestricted funds General £	Endowment funds Permanent £	Total 2021 £
Income allocation	(1,758)	672,377	670,619
Clerk fees	8,634	-	8,634
Sundry expenses	510	-	510
Depreciation of equipment	293	-	293
Insurance	816	-	816
Legal and professional fees	360	-	360
	<u>8,855</u>	<u>672,377</u>	<u>681,232</u>
	<b>Unrestricted</b>	<b>Endowment</b>	<b>Total</b>
	<b>funds</b>	<b>funds</b>	<b>2020</b>
	<b>General</b>	<b>Permanent</b>	<b>£</b>
	<b>£</b>	<b>£</b>	
Income allocation	285,988	402,496	688,484
Clerk fees	8,844	-	8,844
Sundry expenses	93	-	93
Depreciation of equipment	294	-	294
Insurance	802	-	802
Legal and professional fees	841	-	841
	<u>296,862</u>	<u>402,496</u>	<u>699,358</u>

## Mountsorrel United Charities

### Notes to the Financial Statements for the Year Ended 31 December 2021

#### 5 Analysis of governance and support costs

##### Governance costs

	<b>Unrestricted funds General £</b>	<b>Total 2021 £</b>
Audit fees		
Audit of the financial statements	2,400	2,400
Other fees paid to auditors	3,136	3,136
	5,536	5,536
	<b>Unrestricted funds General £</b>	<b>Total 2020 £</b>
Audit fees		
Audit of the financial statements	900	900
Other fees paid to auditors	1,400	1,400
	2,300	2,300

#### 6 Income allocation

##### Analysis of income allocation

	<b>Grants to groups/ organisations</b>	
	<b>2021 £</b>	<b>2020 £</b>
<b>Analysis</b>		
Distribution to Mountsorrel Church of England Fund	223,558	129,366
Distribution to Mountsorrel Educational Fund	223,558	129,367
Distribution to Mountsorrel Relief in Need Charity	223,503	129,751
Brewin Dolphin drawdown - Mountsorrel Church of England Fund	-	100,000
Brewin Dolphin drawdown - Mountsorrel Educational Fund	-	100,000
Brewin Dolphin drawdown - Mountsorrel Relief in Need Charity	-	100,000
	670,619	688,484

## Mountsorrel United Charities

### Notes to the Financial Statements for the Year Ended 31 December 2021

#### 7 Net incoming/outgoing resources

Net outgoing resources for the year include:

	2021 £	2020 £
Audit fees	2,400	900
(Profit)/loss on disposal of investments	(264,974)	89,861
Depreciation of fixed assets	<u>293</u>	<u>294</u>

#### 8 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

#### 9 Auditors' remuneration

	2021 £	2020 £
Audit of the financial statements	<u>2,400</u>	<u>900</u>
<b>Other fees to auditors</b>		
All other non-audit services	<u>3,136</u>	<u>1,400</u>

#### 10 Taxation

The charity is a registered charity and is therefore exempt from taxation.

## Mountsorrel United Charities

### Notes to the Financial Statements for the Year Ended 31 December 2021

#### 11 Tangible fixed assets

	<b>Furniture and equipment £</b>	<b>Total £</b>
<b>Cost</b>		
At 1 January 2021	881	881
At 31 December 2021	881	881
<b>Depreciation</b>		
At 1 January 2021	588	588
Charge for the year	293	293
At 31 December 2021	881	881
<b>Net book value</b>		
At 31 December 2021	-	-
At 31 December 2020	293	293

#### 12 Fixed asset investments

	<b>2021 £</b>	<b>2020 £</b>
Investment properties	1,150,000	1,150,000
Other investments	14,421,631	13,390,275
	15,571,631	14,540,275

#### Investment properties

	<b>Investment properties £</b>
<b>Cost or Valuation</b>	
At 1 January 2021	1,150,000
<b>Provision</b>	
At 31 December 2021	-
<b>Net book value</b>	
At 31 December 2021	1,150,000
At 31 December 2020	1,150,000

The investment property is stated at market value as at 22 January 2020 as valued by Andrew Granger.

## Mountsorrel United Charities

### Notes to the Financial Statements for the Year Ended 31 December 2021

#### Other investments

	Listed investments £	Cash deposits £	Total £
<b>Cost or Valuation</b>			
At 1 January 2021	13,063,695	326,580	13,390,275
Revaluation	1,252,350	-	1,252,350
Additions	2,043,069	-	2,043,069
Disposals	<u>(2,209,798)</u>	<u>(54,265)</u>	<u>(2,264,063)</u>
At 31 December 2021	<u>14,149,316</u>	<u>272,315</u>	<u>14,421,631</u>
<b>Net book value</b>			
At 31 December 2021	<u>14,149,316</u>	<u>272,315</u>	<u>14,421,631</u>
At 31 December 2020	<u>13,063,695</u>	<u>326,580</u>	<u>13,390,275</u>

The historical cost of the investments as at 31 December 2021 was £11,435,696 (2020: £11,145,707).

#### 13 Debtors

	2021 £	2020 £
Other debtors	<u>15,376</u>	<u>16,596</u>

#### 14 Cash and cash equivalents

	2021 £	2020 £
Cash at bank	<u>170,931</u>	<u>384,198</u>

#### 15 Creditors: amounts falling due within one year

	2021 £	2020 £
Other creditors	14,847	450,174
Accruals	<u>190,754</u>	<u>16,602</u>
	<u>205,601</u>	<u>466,776</u>
	<b>2021</b> £	<b>2020</b> £
Deferred income at 1 January 2021	(1,664)	(1,664)
Resources deferred in the period	(1,581)	(1,664)
Amounts released from previous periods	<u>1,664</u>	<u>1,664</u>
Deferred income at year end	<u>(1,581)</u>	<u>(1,664)</u>

## Mountsorrel United Charities

### Notes to the Financial Statements for the Year Ended 31 December 2021

Deferred income relates to rental income in advance.

#### 16 Funds

	Balance at 1 January 2021 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 December 2021 £
<b>Unrestricted</b>					
General	1,823,849	23,628	(25,964)	-	1,821,513
<b>Endowment</b>					
Permanent	<u>12,650,737</u>	<u>294,375</u>	<u>(724,175)</u>	<u>1,509,887</u>	<u>13,730,824</u>
<b>Total funds</b>	<u><u>14,474,586</u></u>	<u><u>318,003</u></u>	<u><u>(750,139)</u></u>	<u><u>1,509,887</u></u>	<u><u>15,552,337</u></u>

The specific purposes for which the funds are to be applied are as follows:

The permanently endowed funds are those funds historically donated to the charity to be held for income generation.

Details of Endowment funds invested on a total return basis are as follows:

	Trust for investment £	Unapplied Total Return £	Total Endowment £
<b>Brewin Dolphin</b>			
<b>At beginning of the reporting period:</b>			
Gift component of the permanent endowment	<u>12,650,737</u>	-	<u>12,650,737</u>
<b>Total</b>	<u><u>12,650,737</u></u>	<u>-</u>	<u><u>12,650,737</u></u>
<b>Movements in the reporting period:</b>			
Investment return: dividends and interest	-	294,375	294,375
Investment return: realised and unrealised gains and (losses)	-	1,509,887	1,509,887
Investment management costs	-	(51,798)	(51,798)
<b>Total</b>	-	<u><u>1,752,464</u></u>	<u><u>1,752,464</u></u>
Unapplied total return allocated to income in the reporting period	-	(672,377)	(672,377)
<b>Net movements in reporting period</b>	<u>-</u>	<u><u>1,080,087</u></u>	<u><u>1,080,087</u></u>
<b>At end of the reporting period:</b>			
Gift component of the permanent endowment	<u>12,650,737</u>	<u>1,080,087</u>	<u>13,730,824</u>
<b>TOTAL</b>	<u><u>12,650,737</u></u>	<u><u>1,080,087</u></u>	<u><u>13,730,824</u></u>

## Mountsorrel United Charities

### Notes to the Financial Statements for the Year Ended 31 December 2021

#### 17 Analysis of net assets between funds

	Unrestricted funds General £	Endowment funds Permanent £	Total funds at 31 December 2021 £
Fixed asset investments	1,673,332	13,898,299	15,571,631
Current assets	186,307	-	186,307
Current liabilities	(38,126)	(167,475)	(205,601)
Total net assets	<u>1,821,513</u>	<u>13,730,824</u>	<u>15,552,337</u>

#### 18 Related party transactions

During the year the charity made the following related party transactions:

##### Mountsorrel Church of England Fund

Four of Mountsorrel Church of England Fund's Trustees are appointed by Mountsorrel United Charities.

During the year, Mountsorrel United Charities allocated Mountsorrel Church of England Fund investment income of £223,558 (2020: £129,366) and other income of £Nil (2020: £100,000). At the balance sheet date the amount due to Mountsorrel Church of England Fund was £5,000 (2020 - £124,534).

##### Mountsorrel Educational Fund

As well as being trustees of Mountsorrel United Charities, Frederick Lewis Newitt, Reverend Colin Ernst Resch and Linda Ann Tyman are Trustees of Mountsorrel Educational Fund.

During the year, Mountsorrel United Charities allocated Mountsorrel Educational Fund investment income of £223,558 (2020: £129,367) and other income of £Nil (2020: £100,000). At the balance sheet date the amount due to Mountsorrel Educational Fund was £5,000 (2020 - £124,860).

##### Mountsorrel Relief in Need Charity and Charity of Hugh Phipps

The trustees of Mountsorrel Relief in Need Charity and the Charity of Hugh Phipps are the same as for Mountsorrel United Charities.

During the year, Mountsorrel United Charities allocated Mountsorrel Relief in Need Charity investment income of £223,558 (2020: £129,366) and other income of £Nil (2020: £100,000).

During the year, Mountsorrel United Charities allocated the Charity of Hugh Phipps investment income of £Nil (2020: £385)

During the year, Mountsorrel United Charities charged the Charity of Hugh Phipps investment management fees of £56 (2020: £Nil). At the balance sheet date the amount due to Mountsorrel Relief in Need Charity and Charity of Hugh Phipps was £4,847 (2020 - £200,780).