

Charity registration number: 1027652

Amended Accounts Mountsorrel United Charities

Annual Report and Financial Statements

for the Year Ended 31 December 2022

Mountsorrel United Charities

Contents

Trustees' Report	1 to 9
Independent Auditors' Report	10 to 12
Statement of Financial Activities	13
Balance Sheet	14
Notes to the Financial Statements	15 to 24

Mountsorrel United Charities

Trustees' Report

The trustees present the annual report together with the financial statements and auditors' report of the charity for the year ended 31 December 2022.

These replace the original financial statements for the year ended 31 December 2022 which were approved by trustees on 6 September 2023.

These revised financial statements are now the statutory financial statements for the charity for this period. These financial statements have been revised as at the date of original financial statements and not as at the date of this revision. Accordingly they do not deal with events between those dates.

REFERENCE AND ADMINISTRATIVE DETAILS

Principal office:

PO Box 11158, Leicester, LE8 8WH

Clerk to the trustees:

Jane Hammond (retired 31.07.2022)
Kate Scranage (from 01.08.2022)
kate@mountsorrelcsf.org.uk

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

Property manager:

Andrew Granger & Co., 44-46 Forest Road, Loughborough, Leicestershire, LE11 3NP

Property solicitor:

Shakespeare Martineau, Two Colton Square, Leicester, LE1 1QH

STRUCTURE, GOVERNANCE AND MANAGEMENT

Mountsorrel United Charities is an unincorporated, registered charity in England and Wales, governed by a Charity Scheme. The charity comprises the following:

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

Additionally, the Charity Commission scheme for Mountsorrel Relief in Need Charity (217615) (working name Mountsorrel Community Support Fund) and its linked Charity of Hugh Phipps (217615-1) requires that the trustees of these charities are also the trustees of Mountsorrel United Charities.

Mountsorrel United Charities

Trustees' Report (continued)

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 directive dated 14 April 2020)

The charities detailed above are governed by a board of up to 16 trustees (see Trustees below). 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. This Annual Report and Financial Statements relates to the Mountsorrel United Charities only.

Day-to-day administration and bookkeeping are delegated to the Clerk, who provides services on a self-employed basis. The Clerk's remuneration is reviewed annually by the board of trustees.

A professional investment manager is appointed, who meets with the trustees at least annually and provides quarterly written reports. An agent is appointed to deal with day to day management of land and property owned by the charity.

A Finance Committee (governed by Terms of Reference) has delegated responsibility for overseeing the financial framework of the charity, reviewing investment policy and performance, and preparation of a risk register. The Finance Committee reports to the full board of trustees of Mountsorrel United Charities after each of its meetings, and key proposals and recommendations from the Finance Committee must be ratified by the board of trustees. The Chair of the Finance Committee also supervises the bookkeeping undertaken by the Clerk.

Mountsorrel United Charities has three beneficiary charities (see Objectives and Activities below), specified within its governing document, with whom it works closely to achieve its objectives. All three beneficiary charities are represented on the Finance Committee.

OBJECTIVES AND ACTIVITIES

The sole objects of the Mountsorrel United Charities are to divide the income of the charities, after expenses, between three separately registered charities for the public benefit:

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

The distribution of income takes place on a quarterly basis, in retrospect, in order that expenses for the period can be deducted.

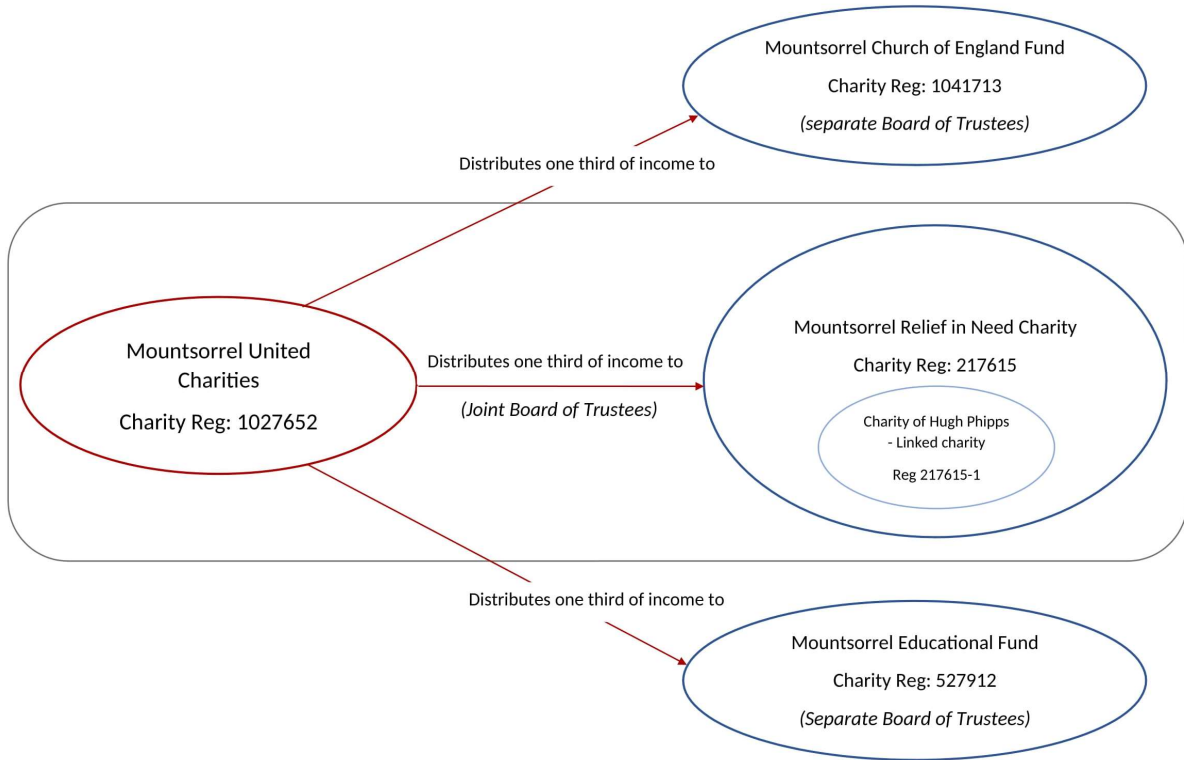
The charity's endowment fund is invested to generate income in order to fulfil the objects. In addition, the charity holds an investment property known as Launde Farm, Uppingham, comprising some 50 acres of land together with a farmhouse. The land and farmhouse are leased separately and rental income from both is distributed alongside the investment income.

In the short term the charity's aims are to distribute income to the beneficiary charities efficiently to ensure the ongoing availability of funds to support their charitable work, and to make sound financial decisions informed by professional advisers in regard to the charity's assets. In the longer term, the aims are to protect and maximise the charity's assets to ensure the availability of funds for future generations.

The trustees confirm that in carrying out their activities, they have given due regard to the guidance on public benefit issued by the Charity Commission.

Mountsorrel United Charities

Trustees' Report (continued)



ACHIEVEMENTS AND PERFORMANCE

Over the year the usual work of Mountsorrel United Charities continued - investing funds and distributing income to the beneficiary charities, as outlined above. During the year, a total of £738,622 was distributed to the beneficiary charities to further their work for the public benefit in Mountsorrel.

The board of trustees met eight times in 2022. The first meeting of the year was a virtual meeting held by video conference; all subsequent meetings were held in person at the Mountsorrel Parish Rooms. The trustees received quarterly reports on income and expenditure and investment performance, and a report on land and property assets at every meeting. The Finance Committee met three times during the year.

The Finance Committee prepared a Risk Register during the course of the year and this was adopted by the board of trustees in October 2022. The Risk Register will be reviewed annually going forward.

A new Clerk was recruited in May 2022 after the Clerk expressed her intention to retire. Induction and handover of the Clerk's responsibilities took place from May to July. Succession planning and groundwork also took place in anticipation of the retirement of the Chair in January 2023.

Mountsorrel United Charities

Trustees' Report (continued)

Early in 2022, the trustees agreed to explore the possibility of promoting their investment land and property for possible development, in order to generate additional funds for the beneficiary charities in the long term. The Finance Committee, supported by the charity's property agent, considered initial bids from a number of developers. Two companies were shortlisted and after a meeting with both firms, Heads of Terms were drawn up with William Davis Ltd and a solicitor appointed to work on a full agreement. This work was ongoing at the year-end.

A trustee skills audit was conducted during the year, with an anticipated trustee recruitment campaign to take place in 2023.

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 Berry
- Alan Brown
- Roger Carroll
- Benjamin Davies
- Jayne Ilett (Known as Nicci) (Chair from 18th January 2023)
- George Overton (Retired 18th January 2023)
- Linda Tyman (Resigned 27th April 2022)
- Geoff Wainwright
- Rachel White

Nominated trustees who served during the period were:

- Elizabeth Blackshaw
- Paul Harris
- Penelope Maguire (Vice Chair from 18th January 2023)
- Megan Pirt (Appointed 9th March 2022)
- Frederick Newitt (Retired 24th October 2022)

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

- Reverend Colin Resch

Mountsorrel United Charities

Trustees' Report (continued)

Appointment, induction and training of trustees

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

When appointed, all new trustees receive an induction pack including governing documents, recent minutes and the latest annual report and accounts. New trustees are also directed to key guidance from the Charity Commission and other bodies, including guidance on the responsibilities of charity trustees. Further induction, training and support may take place in person with the Chair and others as appropriate. Trustees are encouraged to identify and express training needs and external training is facilitated as necessary.

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

The Chairman and Vice Chairman of the trustees are elected annually, at the first meeting each year, as required by the governing document.

FINANCIAL REVIEW

Financial position

The charity's total income for the year was £324,741 (2021: £318,003).

A total of £778,788 was also transferred from investments for allocation to the charitable objects under the charity's total returns policy.

Expenditure totalled £802,810 (2021: £750,086).

There was an overall reduction on investment assets of £1,466,076 (2021: increase of £1,508,282) resulting in a net deficit of £1,944,145 (2021: surplus of £1,076,199).

At the year-end, the charity held total assets of £13,593,050 (2021: £15,537,195) of which £11,669,966 were restricted (endowed) funds. £1,150,000 of the remaining assets was held as tangible fixed assets (land and property) for the purpose of long term income generation in support of the charitable objectives. It is expected that the capital value of the tangible fixed assets will in time be liquidated following the development and sale of the property (see Achievements and Performance, above).

Principal sources of funds

The charity receives its income from investments held with Brewin Dolphin and with CCLA (COIF Investment Fund), together with rental income from its investment property.

Mountsorrel United Charities

Trustees' Report (continued)

Investments

The charity held investments valued at £13,552,213 at the year-end (2021: £15,556,489). Of this total, £12,170,660 was invested with the investment managers, £231,553 was invested in income funds (COIF) and £1,150,000 was invested as property.

An investment policy has been adopted. The aim of the investments is to achieve a level of financial return sufficient to enable each of the three beneficiary charities to further their charitable aims, within a level of risk considered acceptable by trustees.

Investment managers are appointed to manage and advise on the charity's endowed investments on a discretionary management basis.

The risk category of the investment portfolio was increased in 2020, with the aim of achieving a higher investment return over the long-term. The trustees took professional advice 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.

The trustees adopted a total returns approach in 2020. The total returns percentage applied in 2022 was 5.5%.

Ethical investment statement

An ethical investment statement has been adopted. Trustees do not wish to directly profit from, or provide capital to, activities that are inconsistent with, or harmful to the values, purpose and mission of any or all of the three beneficiary charities. Trustees therefore seek to exclude companies that:

- Promote the consumption of alcohol, when such activity constitutes 10% or more of the company's turnover
- Contribute to significant environmental damage
- Exist to promote gambling
- Exist to provide high interest rate lending, doorstep lending and so-called payday loans
- Profit from modern slavery
- Exist to promote pornography
- Exist to promote the consumption of tobacco
- Contribute to the production and use of armaments

Statutory duties

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 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:

Mountsorrel United Charities

Trustees' Report (continued)

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.

Investment objectives

The aim is to grow the fund ahead of inflation. A difficult climate for investors in 2022 meant that this objective was not achieved during the year; however, the trustees look to invest for the long-term, making decisions which will “pay off” within 15 or so years. They continue to take regular professional advice. The Finance Committee monitors investment performance and reports to the board of trustees, who also receive quarterly reports from the investment manager.

The annual income target stated within the investment policy is £480,000, with a target distribution to each of the beneficiary charities of £160,000 per annum. These targets were exceeded in 2022 with annual income of £778,788 from the endowed investment portfolio (£804,473 from all income sources) and each of the three beneficiary charities receiving £246,207 during the year.

Reserves policy

As at 31st December 2022, the charity held free reserves of £1,923,084.

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.

The trustees will keep the level of reserves in check by reviewing it alongside their quarterly review of management accounts. At the year-end, the charity held reserves in excess of its stated policy; however, a significant proportion of the reserves (£1.15m) was held as property, which the trustees view as a long term investment in order to generate additional funds for the beneficiary charities in the future.

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

The reserves policy was reviewed during the year by the Finance Committee and ratified by the board of trustees.

Risk management

The trustees have examined the major strategic business and operational risks that the charity faces. A Risk Register was prepared and adopted during the year. The key risks facing the charity were identified. Steps have been taken to manage these risks and further actions and controls have been identified where necessary. The risk register will be reviewed annually going forward.

The capital value of the endowed investment portfolio was affected by the global events of 2022, including the war in Ukraine and political turbulence and a cost of living crisis in the UK. Whilst some continuing uncertainty is expected in 2023, the trustees anticipate that the portfolio will regain some of the lost ground next year.

Mountsorrel United Charities

Trustees' Report (continued)

PLANS FOR FUTURE PERIODS

In 2023, trustees plan to:

- Undertake a trustee recruitment campaign to fill existing and anticipated vacancies, seeking to address skills gaps identified through the trustee skills audit in 2022;
- Continue to progress the development and sale of the land and property at Launde Farm, with a delegated working group working with the land agent and solicitor;
- Conduct the 3 year review of the investment portfolio and investment strategy (led by the Finance Committee);
- Conduct the 3 year review of all the charity's policies, led by a policy working group.

DISCLOSURES

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, including property investments.

Total return

On 1st January 2021 the initial value of the trust for investment was established. The policy used to identify the initial amount of the trust for investment was the market value of the investment portfolio as at 31st December 2020, being £12,637,147.

The Finance Committee met on 5th January 2022, in the presence of the Investment Manager, and based on the market value of their investment portfolio of £14,159,844 at 31st December 2021, recommended an allocation of 5.5% of this market value to the trust for application for the year, to reflect anticipated high levels of need. This was approved by the board of trustees on 19th January 2022. As a result, a total of £778,788 was transferred from unapplied total return to the trust for application during the year.

Following the year-end, the trustees in conjunction with their legal advisers and investment manager identified the following:

- There had been over-distribution from the investment fund during the period October to December 2020, prior to the date on which total return can be considered to have been adopted; and
- There was over-distribution from the trust for investment during 2022.

In accordance with guidance in the Charities SORP (FRS 102) investment losses for the year in excess of the unapplied total return have been allocated to the trust for investment until such time as those losses are reversed.

The trustees subsequently addressed the over-distribution as follows:

Mountsorrel United Charities

Trustees' Report (continued)

1. The trustees paused all allocation from the trust for investment to the trust for application until the value of the trust for investment had fully recovered;
2. The trustees took appropriate professional advice;
3. The trustees rigorously reviewed their financial and investment monitoring procedures and reporting to prevent any future recurrence;
4. The trustees resolved to disclose the over-distribution within their Annual Report and to the Charity Commission.

The trustees will seek to balance current and future levels of beneficiary need against anticipated investment returns and the long-term preservation of the trust for investment when allocating funds to the trust for application. The level of Unapplied Total Return is kept under regular review by the trustees. David Judge, Chartered FCSI (investment manager) advises the charity on the total return approach to investment.

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 Charities (Accounts and Reports) Regulations 2008, 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.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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 6 September 2023 and signed on its behalf by:

.....
Jayne (Nicci) Ilett
Chairman 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 2022, 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 2022 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 (continued)

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 (Accounts and Report) Regulations 2008 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 9), 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.

Mountsorrel United Charities

Independent Auditor's Report to the Members of Mountsorrel United Charities (continued)

- 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. 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 audit 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.

.....
Neil Coupland FCA DChA (Senior Statutory Auditor)
For and on behalf of RWB CA Limited, Statutory Auditor

Northgate House
North Gate
New Basford
Nottingham
NG7 7BQ

6 September 2023

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 2022

	Note	Unrestricted funds £	Endowment funds £	Total 2022 £
Income and Endowments from:				
Donations and legacies	2	25	-	25
Investment income	3	25,660	299,056	324,716
Total income		<u>25,685</u>	<u>299,056</u>	<u>324,741</u>
Expenditure on:				
Raising funds	4.1	(2,008)	(48,109)	(50,117)
Charitable activities	5, 6	(752,693)	-	(752,693)
Total expenditure		(754,701)	(48,109)	(802,810)
Gains/losses on investment assets		-	(1,466,076)	(1,466,076)
Net expenditure		(729,016)	(1,215,129)	(1,944,145)
Gross transfers between funds		778,788	(778,788)	-
Net movement in funds		49,772	(1,993,917)	(1,944,145)
Reconciliation of funds				
Total funds brought forward		<u>1,873,312</u>	<u>13,663,883</u>	<u>15,537,195</u>
Total funds carried forward	16	<u>1,923,084</u>	<u>11,669,966</u>	<u>13,593,050</u>
	Note	Unrestricted funds £	Endowment funds £	Total 2021 £ (As restated)
Income and Endowments from:				
Investment income	3	23,628	294,375	318,003
Total income		<u>23,628</u>	<u>294,375</u>	<u>318,003</u>
Expenditure on:				
Raising funds	4.1	(11,573)	(51,745)	(63,318)
Charitable activities	5	(686,768)	-	(686,768)
Total expenditure		(698,341)	(51,745)	(750,086)
Gains/losses on investment assets		-	1,508,282	1,508,282
Net (expenditure)/income		(674,713)	1,750,912	1,076,199
Gross transfers between funds		724,176	(724,176)	-
Net movement in funds		49,463	1,026,736	1,076,199
Reconciliation of funds				
Total funds brought forward		<u>1,823,849</u>	<u>12,637,147</u>	<u>14,460,996</u>
Total funds carried forward	16	<u>1,873,312</u>	<u>13,663,883</u>	<u>15,537,195</u>

All of the Charity's activities derive from continuing operations during the above two periods.

The notes on pages 15 to 24 form an integral part of these financial statements.

Mountsorrel United Charities

Balance Sheet as at 31 December 2022

	Note	2022 £	(As restated) 2021 £
Fixed assets			
Investments	12	13,552,213	15,556,489
Current assets			
Debtors	13	26,707	15,376
Cash at bank and in hand	14	<u>233,707</u>	<u>170,931</u>
		260,414	186,307
Creditors: Amounts falling due within one year	15	<u>(219,577)</u>	<u>(205,601)</u>
Net current assets/(liabilities)		<u>40,837</u>	<u>(19,294)</u>
Net assets		<u>13,593,050</u>	<u>15,537,195</u>
Funds of the Charity:			
Endowment		11,669,966	13,663,883
Unrestricted income funds			
Unrestricted		<u>1,923,084</u>	<u>1,873,312</u>
Total funds	16	<u>13,593,050</u>	<u>15,537,195</u>

The financial statements on pages 13 to 24 were approved by the trustees, and authorised for issue on 6 September 2023 and signed on their behalf by:

.....
 Jayne (Nicci) Ilett
 Chairman and Trustee

Mountsorrel United Charities

Notes to the Financial Statements for the Year Ended 31 December 2022

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.

These replace the original financial statements previously filed at the Charity Commission for the year ended 31 December 2022, and are now the statutory accounts and have been prepared as they were at the date of the original financial statements.

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.

Going concern

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

Reclassification of comparative amounts

Withdrawals from endowment funds were treated as transferred to general funds before allocating the income to related three charities. Accordingly, balance carried forward in permanent endowment in 2021 was revised to £13,663,883 (£13,730,824 prior to adjustments).

Prior year adjustments

In the year ended 31 December 2021 the charity amended the accounts to report the activities of the Relief in Need Fund in that charity's own financial statements. At the time the investment comprising the Hugh Phipps' charity remained within Mountsorrel United Charities' balance sheet. It has now been recognised that this investment should have been recognised within the Relief in Need charity accounts. A prior year adjustment to opening fund balance of £13,590 has been made to reflect this.

Income and endowments

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the Charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Donations and legacies

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

Mountsorrel United Charities

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

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.

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.

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:

Asset class	Depreciation method and rate
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.

Mountsorrel United Charities

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

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 discretion in furtherance of the objectives of the Charity.

Permanent endowment funds are restricted funds held for income generation.

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 Income from donations and legacies

	Unrestricted funds General £	Total 2022 £
Donations and legacies;		
Donations from individuals	25	25
	<u>25</u>	<u>25</u>

3 Investment income

	Unrestricted funds General £	Endowment funds Permanent £	Total 2022 £
Other income from fixed asset investments	8,663	299,056	307,719
Income from rents	16,997	-	16,997
	<u>25,660</u>	<u>299,056</u>	<u>324,716</u>

Mountsorrel United Charities

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

	Unrestricted funds General £	Endowment funds Permanent £	Total 2021 £
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

4 Expenditure on raising funds

a) Investment management costs

	Note	Unrestricted funds General £	Endowment funds Permanent £	Total 2022 £
Other investment management costs;				
Other portfolio management costs		-	48,109	48,109
Costs of rent collection		1,906	-	1,906
Property repairs		102	-	102
		2,008	48,109	50,117

	Note	Unrestricted funds General £	Endowment funds Permanent £	Total 2021 £
Other investment management costs;				
Other portfolio management costs		-	51,745	51,745
Costs of rent collection		1,904	-	1,904
Property repairs		9,669	-	9,669
		11,573	51,745	63,318

5 Expenditure on charitable activities

		Unrestricted funds General £	Endowment funds Permanent £	Total 2022 £
Income allocation		-	738,622	738,622
Clerk fees		7,817	-	7,817
Sundry expenses		1,221	-	1,221
Insurance		818	-	818
Legal and professional fees		453	-	453
		10,309	738,622	748,931

Mountsorrel United Charities

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

	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
	8,855	672,377	681,232

6 Analysis of governance and support costs

Governance costs

	Unrestricted funds General £	Total 2022 £
Audit fees		
Audit of the financial statements	2,520	2,520
Other fees paid to auditors	1,242	1,242
	3,762	3,762
	Unrestricted funds General £	Total 2021 £
Audit fees		
Audit of the financial statements	2,400	2,400
Other fees paid to auditors	3,136	3,136
	5,536	5,536

Mountsorrel United Charities

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

7 Income allocation

Analysis of income allocation

	Grants to groups/ organisations	
	2022	2021
	£	£
Analysis		
Distribution to Mountsorrel Church of England Fund	246,207	223,558
Distribution to Mountsorrel Educational Fund	246,207	223,558
Distribution to Mountsorrel Relief in Need Charity	246,207	223,503
	<u>738,621</u>	<u>670,619</u>

8 Net incoming/outgoing resources

Net outgoing resources for the year include:

	2022	2021
	£	£
Audit fees	<u>2,520</u>	<u>2,400</u>

9 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.

10 Auditors' remuneration

	2022	2021
	£	£
Audit of the financial statements	<u>2,520</u>	<u>2,400</u>
Other fees to auditors		
All other non-audit services	<u>1,242</u>	<u>3,136</u>

11 Taxation

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

12 Fixed asset investments

	2022	2021
	£	£ (As restated)
Investment properties	1,150,000	1,150,000
Other investments	<u>12,402,213</u>	<u>14,406,489</u>
	<u>13,552,213</u>	<u>15,556,489</u>

Mountsorrel United Charities

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

Investment properties

	Investment properties £
Cost or Valuation	
At 1 January 2022	<u>1,150,000</u>
Provision	
At 31 December 2022	<u>-</u>
Net book value	
At 31 December 2022	<u>1,150,000</u>
At 31 December 2021	<u>1,150,000</u>

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

Other investments

	Listed investments £	Cash deposits £	Total £
Cost or Valuation			
At 1 January 2022	14,134,277	272,210	14,406,487
Revaluation	(1,338,530)	-	(1,338,530)
Additions	1,481,594	-	1,481,594
Disposals	<u>(2,099,391)</u>	<u>(47,947)</u>	<u>(2,147,338)</u>
At 31 December 2022	<u>12,177,950</u>	<u>224,263</u>	<u>12,402,213</u>
Net book value			
At 31 December 2022	<u>12,177,950</u>	<u>224,263</u>	<u>12,402,213</u>
At 31 December 2021	<u>14,134,277</u>	<u>272,210</u>	<u>14,406,487</u>

The historical cost of the investments as at 31 December 2022 was £11,032,283 (2021: £11,151,097).

Mountsorrel United Charities

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

13 Debtors

	2022 £	2021 £
Prepayments	2,716	-
Other debtors	23,991	15,376
	26,707	15,376

14 Cash and cash equivalents

	2022 £	2021 £
Cash at bank	233,707	170,931
	233,707	170,931

15 Creditors: amounts falling due within one year

	2022 £	2021 £
Other creditors	14,724	14,847
Accruals	204,853	190,754
	219,577	205,601

16 Funds

	Balance at 1 January 2022 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £
Unrestricted					
General	1,873,312	25,685	(754,701)	778,788	-
Endowment					
Permanent	13,663,883	(479,732)	(48,109)	-	(1,466,076)
Total funds	15,537,195	(454,047)	(802,810)	778,788	(1,466,076)

Mountsorrel United Charities

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

	Balance at 31 December 2022 £
Unrestricted	
General	1,923,084
Endowment	
Permanent	<u>11,669,966</u>
Total funds	<u><u>13,593,050</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 £
Brewin Dolphin			
At beginning of the reporting period:			
Gift component of the permanent endowment	12,637,147	-	12,637,147
Unapplied total return	<u>-</u>	<u>1,026,736</u>	<u>1,026,736</u>
Total	<u>12,637,147</u>	<u>1,026,736</u>	<u>13,663,883</u>
Movements in the reporting period:			
Investment return: dividends and interest	-	299,056	299,056
Investment return: realised and unrealised gains and (losses)	(967,181)	(498,895)	(1,466,076)
Investment management costs	<u>-</u>	<u>(48,109)</u>	<u>(48,109)</u>
Total	<u>(967,181)</u>	<u>(247,948)</u>	<u>(1,215,129)</u>
Unapplied total return allocated to income in the reporting period	<u>-</u>	<u>(778,788)</u>	<u>(778,788)</u>
Net movements in reporting period	<u>(967,181)</u>	<u>(1,026,736)</u>	<u>(1,993,917)</u>
At end of the reporting period:			
Gift component of the permanent endowment	<u>11,669,966</u>	<u>-</u>	<u>11,669,966</u>
TOTAL	<u><u>11,669,966</u></u>	<u><u>-</u></u>	<u><u>11,669,966</u></u>

Mountsorrel United Charities

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

17 Analysis of net assets between funds

	Unrestricted funds General £	Endowment funds Permanent £	Total funds at 31 December 2022 £
Fixed asset investments	1,590,123	11,962,090	13,552,213
Current assets	260,414	-	260,414
Current liabilities	72,547	(292,124)	(219,577)
Total net assets	<u>1,923,084</u>	<u>11,669,966</u>	<u>13,593,050</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 £246,207 (2021: £223,558). At the balance sheet date the amount due to Mountsorrel Church of England Fund was £5,000 (2021 - £5,000).

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 £246,207 (2021: £223,558). At the balance sheet date the amount due to Mountsorrel Educational Fund was £5,000 (2021 - £5,000).

Mountsorrel Relief in Need Charity

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 £246,207 (2021: £223,558). At the balance sheet date the amount due to Mountsorrel Relief in Need Charity was £4,723 (2021 - £4,847).