

MOUNTSORREL UNITED CHARITIES
TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2023

MOUNTSORREL UNITED CHARITIES

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Benjamin Davies Jayne Ilett Geoffrey Wainwright Elizabeth Blackshaw Paul Harris Penelope Maguire Nicola Liquorish Megan Pirt Colin Resch Elizabeth Thompson Nicole Carr Elaine Crossley Emma Crossley Michelle Hought
Charity number	1027652
Principal address	PO Box 11158 Leicester LE8 8WH
Clerk to the Trustees Contact Details	Kate Scranage kate@mountsorrelcsf.org.uk
Auditors	Somerbys Limited 30 Nelson Street Leicester LE1 7BA
Investment advisors	Brewin Dolphin Ltd Waterfront House Waterfront Plaza 35 Station Street Nottingham NG2 3DQ
Property Manager	Andrew Granger & Co 44-46 Forest Road Loughborough Leicestershire LE11 3NP
Solicitors Property Matters	Shakespeare Martineau Two Colton Square Leicester LE1 1QH
Endowment Matters	Farrer & Co LLP 66 Lincoln's Inn Fields London WC21 3LH

MOUNTSORREL UNITED CHARITIES

CONTENTS

	Page
Trustees' report	1 - 8
Independent auditors' report	9 - 11
Statement of financial activities	12 - 13
Balance sheet	14
Notes to the accounts	15 - 24

MOUNTSORREL UNITED CHARITIES

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The trustees present their report and accounts for the year ended 31 December 2023.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, the Charities Act 2011 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005.

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.

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.

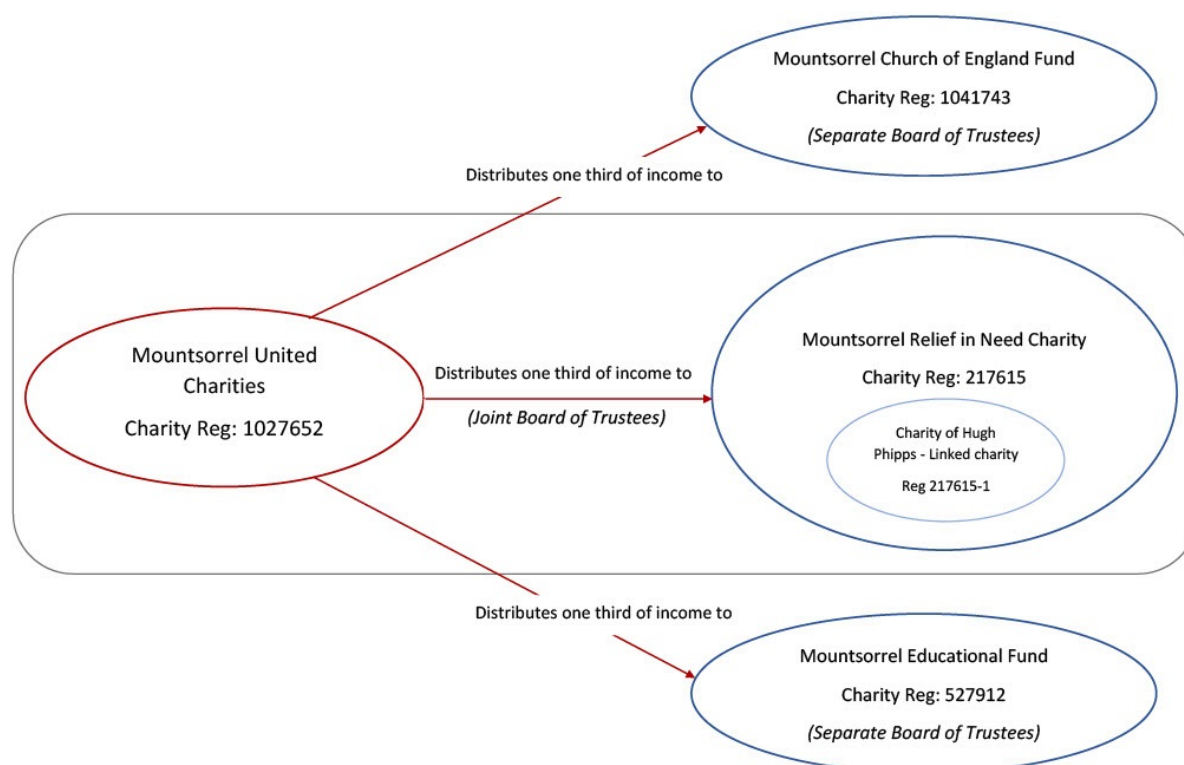
A professional investment manager is appointed, who meets with the trustees at least annually and provides quarterly written reports. An agent is appointed to deal with day to day management of land and property owned by the charity.

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. The relationship with the beneficiary charities is clarified in the organogram below.

MOUNTSORREL UNITED CHARITIES

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023



Objectives and activities

The sole object of Mountsorrel United Charities is to divide the income of the charity, 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 charity's main aim is therefore to generate income from its invested assets and the principal activity is the distribution of income from those assets to the beneficiary charities, in order to support the ongoing work of those charities for the public benefit in the local area.

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)

FOR THE YEAR ENDED 31 DECEMBER 2023

Achievements and performance

During the year, a total of £316,176 was distributed to the beneficiary charities to further their work for the public benefit in Mountsorrel. The sum distributed was significantly less than in the preceding years, in order to compensate for earlier over-distribution and allow the Trust for Investment to recoup its value.

The board of trustees met eight times in 2023. All meetings were held at the Mountsorrel Parish Rooms. The trustees received regular reports on income and expenditure and investment performance.

The Finance Committee met twice during the year before being disbanded in July 2023, with the aim that all trustees should have a proper understanding of the charity's financial position. To this end, the trustees rigorously reviewed their financial and investment monitoring and reporting during the year.

Jayne (Nicci) Ilett took up the role of Chair from January 2023, with Penelope Maguire as Vice Chair (Colin Resch from January 2024).

A trustee recruitment campaign resulted in the appointment of four new trustees in July 2023, and there were three further appointments following trustee retirements during the year.

The charity's audit and accountancy provision was reviewed and new accountants and auditors were appointed.

The charity's correspondence address was changed to a PO Box address for improved privacy and data security.

Work continued under the agreement with William Davis Ltd for the promotion of the land and property at Launde Farm for development.

A triennial policy review was conducted by a working group and updated policies adopted by the board of trustees in September 2023. A new Privacy and Data Protection Policy was adopted by the trustees in October and a new Trustee Code of Conduct in December. The Risk Register was reviewed in December 2023, and will continue to be reviewed annually.

Groundwork began for a new 5 year strategy to be prepared in 2024.

The trustees took professional legal advice during the year on their approach to distributing funds based on total return, to address concerns around the diminished value of the Trust for Investment. The legal advice having concluded that there had been over-distribution in preceding periods, the trustees paused all allocation to the Trust for Application until the value of the Trust for Investment had fully recovered. Good progress had been made in this respect by the year-end, and the trustees anticipated resuming charitable distributions to beneficiaries during 2024.

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 or work in or otherwise have knowledge of Mountsorrel parish);
- Five trustees nominated by Mountsorrel Parish Council;
- One ex-officio trustee (the Priest in Charge of the United Benefice of Mountsorrel, comprising the ecclesiastical parishes of Mountsorrel Christ Church and Mountsorrel St Peter).

MOUNTSORREL UNITED CHARITIES

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

The trustees who held office during the period and those in office since the year-end are:

Co-opted trustees:

- Christopher Berry (Retired 30/10/2023)
- Alan Brown (Retired 22/09/2023)
- Roger Carroll (Retired 31/08/2023)
- Elaine Crossley (Appointed 06/09/2023)
- Emma Crossley (Appointed 06/12/2023)
- Benjamin Davies
- Michelle Hought (Appointed 19/07/2023)
- Jayne Ilett (known as Nicci) (Chair from 18/01/2023)
- Nicola Liquorish (Appointed 19/07/2023)
- George Overton (Outgoing Chair) (Retired 18/01/2023)
- Carla Riozzi (Appointed 19/07/2023 and Retired 05/10/2023)
- Elizabeth Thompson (Appointed 19/07/2023)
- Geoffrey Wainwright
- Rachel White (Retired 19/07/2023)

Nominated trustees of Mountsorrel Parish Council:

- Elizabeth Blackshaw
- Nicole Carr (Appointed 11/09/2023)
- Paul Harris
- Penelope Maguire (Outgoing Vice Chair) (Vice Chair from 18/01/2023 - 17/01/2024)
- Megan Pirt

Ex Officio trustee:

- Revd Colin Resch (Vice Chair from 17/01/2024)

Appointment, induction and training of trustees

A Trustee Recruitment Procedure has been adopted. 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 Chair and Vice Chair 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 £346,675 (2022: £324,741).

Expenditure totalled £393,826 (2022: £802,810).

There was an overall gain on investment assets of £782,731 (2022: loss of £1,466,076) resulting in a net surplus of £735,580 (2022: deficit of £1,944,145).

At the year-end, the charity held total assets of £14,328,630 (2022: £13,593,050) that included £12,337,071 of 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.

MOUNTSORREL UNITED CHARITIES

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

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.

Investments

The charity held total investments valued at £14,202,540 at the year-end (2022: £13,552,213).

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 trustees adopted a total return approach on 1st January 2021.

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

Investment objectives

The objective is to grow the fund ahead of inflation over the long term. The trustees take regular professional advice, and 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 reduced in 2023 to reflect over-distribution in earlier periods. Each of the three beneficiary charities received £105,392 during the year.

Reserves policy

As at 31st December 2023, the charity held free reserves of £126,090.

Reserves are required to enable the charity to maintain its current activities and to meet its long term aims. Free reserves are the part of a charity's unrestricted funds that are freely available to spend on any of the charity's purposes. 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.

The trustees will keep the level of reserves in check by reviewing it alongside their quarterly review of management accounts, together with cashflow reports to every meeting.

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 and updated during the year.

MOUNTSORREL UNITED CHARITIES

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Risk management

The trustees have examined the major strategic business and operational risks that the charity faces. A Risk Register is in place, and is reviewed annually. The key risks currently facing the charity during the year were identified as:

- Financial risks from investments;
- Legal and financial risks from adopting total return on investment;
- Legal and financial risks arising from the land/property portfolio, including legal and financial risks from the agreement with William Davis Ltd for the promotion of the land and property for development;
- Other financial risks arising from budgetary control and financial reporting;
- Legal/regulatory risks in relation to compliance;
- Governance risks in the event that the trustee board becomes dominated by one or two individuals or connected individuals;
- Operational risks from any trustee misconduct;
- Legal/regulatory risks from activities potentially outside the charity's objects, powers or the terms of endowed funds;
- Information governance risks;
- Operational risks from a lack of operational capacity and capability;
- Health and safety risks from any health and safety incidents;
- Operational risks from a pandemic or other global crisis;
- Operational risks if key personnel were unexpectedly unavailable or unable to fulfil their role(s).

Steps have been taken to manage these risks and further actions and controls have been identified where necessary. The steps taken include:

- Regular financial and investment reports to the trustees;
- Reputable professional advisors appointed including an investment manager, property manager and solicitors, and advice sought as necessary;
- Adopting and implementing appropriate policies, procedures and controls, and keeping these under review;
- Day to day bookkeeping includes built-in double checks, dual authorisation and scrutiny;
- Annual external audit of the accounts;
- The use of secure banking, bookkeeping and backup software;
- Appropriate insurances in place;
- Effective recruitment and induction procedures for trustees and Clerk;
- Regular trustee meetings held at a public venue, and a trustee Code of Conduct;
- Business Continuity details securely held by Chair and Clerk in case of emergency.

Plans for the future

In 2024, trustees plan to:

- Continue to progress the options agreement with William Davis Ltd for the promotion for development of the land and property at Launde Farm;
- Conduct the periodical review of their insurance, investment management, banking and property management arrangements;
- Prepare a Risk Management Policy, a Trustee Expenses Policy and written financial procedures and controls;
- Prepare a new 5 year Strategy for the charity.

MOUNTSORREL UNITED CHARITIES

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Disclosures

Total return

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

On 18th January 2023 the board of trustees agreed to apply 3.9% of the market value of the Trust for Investment as at 31st December 2022 to the Trust for Application in 2024. This was later revised at a meeting on 8th March 2023 to 5.5%, to reflect anticipated high levels of need.

Concerns were raised by the Finance Committee in May 2023 regarding the erosion of the Trust for Investment if allocation to income (the Trust for Application) was to continue at this level. Professional legal advice was taken and the board of trustees agreed on 19th July 2023 to pause charitable distributions for quarters 3 and 4 of 2023 pending the outcome of the legal advice.

Following receipt of the legal advice in October 2023 it was identified that there had been over-allocation to income in earlier periods, and consequently the trustees agreed to make no further allocation to income until such time as the Trust for Investment had recouped its value. This incident was subsequently disclosed to the Charity Commission, who have since concluded that the trustees are dealing with the matter appropriately and responsibly. The trustees have rigorously reviewed their financial and investment monitoring procedures and reporting to prevent any future recurrence.

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.

MOUNTSORREL UNITED CHARITIES

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Statement of trustees' responsibilities

The trustees are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare accounts 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 year.

In preparing these accounts, 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The annual report was approved by the trustees of the charity on 23rd September 2024 and signed on its behalf by:

Jayne Ilett

Chair

Dated: 23 September 2024

MOUNTSORREL UNITED CHARITIES

INDEPENDENT AUDITORS' REPORT

TO THE TRUSTEES OF MOUNTSORREL UNITED CHARITIES

Opinion

We have audited the financial statements of Mountsorrel United Charities (the 'Charity') for the year ended 31 December 2023 which comprise the statement of financial activities, the balance sheet and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the accounts:

- give a true and fair view of the state of the Charity's affairs as at 31 December 2023 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's 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 financial statements are 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 AUDITORS' REPORT (CONTINUED)

TO THE TRUSTEES OF MOUNTSORREL UNITED CHARITIES

Matters on which we are required to report by exception

In the light of the 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 in relation to which 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 8), the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, 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's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

The risk of not detecting a material misstatement resulting from error is considered to be low. The risk of not detecting a material misstatement resulting from fraud is higher, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

In the context of Mountsorrel United Charities, we have not identified specific laws and regulations other than general laws and regulations, such as: the Charities Act 2011; Charity Commission guidance; GDPR and Housing Acts.

Our understanding of the legal and regulatory framework applicable to Mountsorrel United Charities and how the charity has complied with its obligations has been obtained by enquiry of management and those charged with governance.

As part of our enquiries we have discussed policies and procedures on compliance with laws and regulations and whether any instances of non compliance have occurred.

MOUNTSORREL UNITED CHARITIES

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE TRUSTEES OF MOUNTSORREL UNITED CHARITIES

Our understanding of the Charity's policies and procedures on fraud risk has been obtained through enquiry with management as to the control activities, operational systems in place and whether there is knowledge of any actual, suspected or alleged fraud.

We consider that the audit team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations. During our audit work there were no significant instances of non-compliance identified.

In response to the audit risks identified in respect of irregularity and fraud, we have undertaken the following procedures:

- Enquiry of management, and those charged with governance around actual and potential litigation and claims.
- Enquiry of management to identify any instances of non-compliance with laws and regulations.
- Enquiry of management to identify any subsequent events that have occurred after the year end relating to this financial year.
- Reviewing legal expenses during and after the year end for evidence of non-compliance with laws and regulations.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our Auditor's Report.

This report is made solely to the Charity's 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 them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Somerbys Limited
Chartered Accountants and Statutory Auditor

Date:

30 Nelson Street
Leicester
LE1 7BA

Somerbys Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

MOUNTSORREL UNITED CHARITIES

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2023

Current Year		Unrestricted funds	Endowment funds	Total 2023	Total 2022
	Notes	£	£	£	£
<u>Incoming resources from generated funds</u>					
Donations and legacies	2	-	-	-	25
Investment income	3	24,014	322,661	346,675	324,716
Total incoming resources		24,014	322,661	346,675	324,741
<u>Resources expended</u>					
Costs of generating funds					
Investment management costs		2,612	47,053	49,665	50,117
Charitable activities					
Charitable expenditure		316,176	-	316,176	738,622
Governance costs		27,985	-	27,985	14,071
Total resources expended	4 & 5	346,773	47,053	393,826	802,810
Net (outgoing)/incoming resources before transfers		(322,759)	275,608	(47,151)	(478,069)
Gross transfers between funds		391,234	(391,234)	-	-
Net incoming/(outgoing) resources		68,475	(115,626)	(47,151)	(478,069)
Other recognised gains and losses					
Gains/(losses) on investment assets		-	782,731	782,731	(1,466,076)
Net movement in funds		68,475	667,105	735,580	(1,944,145)
Fund balances at 1 January 2023		1,923,084	11,669,966	13,593,050	15,537,195
Fund balances at 31 December 2023		1,991,559	12,337,071	14,328,630	13,593,050

MOUNTSORREL UNITED CHARITIES

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Prior Year		Unrestricted funds	Endowment funds	Total 2022
	Notes	£	£	£
<u>Incoming resources from generated funds</u>				
Donations and legacies	2	25	-	25
Investment income	3	25,660	299,056	324,716
Total incoming resources		25,685	299,056	324,741
<u>Resources expended</u>				
Costs of generating funds				
Investment management costs		2,008	48,109	50,117
Charitable activities				
Charitable expenditure		738,622	-	738,622
Governance costs		14,071	-	14,071
Total resources expended	4 & 5	754,701	48,109	802,810
Net (outgoing)/incoming resources before transfers		(729,016)	250,947	(478,069)
Gross transfers between funds		778,788	(778,788)	-
Net incoming/(outgoing) resources		49,772	(527,841)	(478,069)
Other recognised gains and losses				
Gains/(losses) on investment assets		-	(1,466,076)	(1,466,076)
Net movement in funds		49,772	(1,993,917)	(1,944,145)
Fund balances at 1 January 2022		1,873,312	13,663,883	15,537,195
Fund balances at 31 December 2022		1,923,084	11,669,966	13,593,050

MOUNTSORREL UNITED CHARITIES

BALANCE SHEET

AS AT 31 DECEMBER 2023

	Notes	2023		2022	
		£	£	£	£
Fixed assets					
Investments	9	14,202,540		13,552,213	
Current assets					
Debtors	10	42,760		26,707	
Cash at bank and in hand		117,257		233,707	
		<u>160,017</u>		<u>260,414</u>	
Creditors: amounts falling due within one year	11	<u>(33,927)</u>		<u>(219,577)</u>	
Net current assets		<u>126,090</u>		<u>40,837</u>	
Total assets less current liabilities		<u>14,328,630</u>		<u>13,593,050</u>	
Capital funds					
Endowment funds	12	12,337,071		11,669,966	
Income funds					
Unrestricted funds	12	<u>1,991,559</u>		<u>1,923,084</u>	
		<u>14,328,630</u>		<u>13,593,050</u>	

The accounts were approved by the Trustees on 23 September 2024

Jayne Ilett
Trustee

MOUNTSORREL UNITED CHARITIES

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

1.1 Basis of preparation

The financial statements have been prepared in accordance with the charity's governing document, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements 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 Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

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

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

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

1.2 Incoming resources

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 reasonably measured.

Investment Income

Dividends are recognised once the dividend has been received.

1.3 Resources expended

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

MOUNTSORREL UNITED CHARITIES

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

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.

1.4 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.

1.5 Investments

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.

1.6 Fund structure

Permanent endowment funds are restricted funds held for income generation.

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

1.7 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 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.

MOUNTSORREL UNITED CHARITIES

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

2 Donations and legacies

	Total 2023 £	Total 2022 £
Donations and gifts	-	25
	<u> </u>	<u> </u>

3 Investment income

	Unrestricted funds £	Endowment funds £	Total 2023 £
Rental income	17,073	-	17,073
Income from fixed asset investments	6,941	322,661	329,602
	<u> </u>	<u> </u>	<u> </u>
	<u>24,014</u>	<u>322,661</u>	<u>346,675</u>

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

MOUNTSORREL UNITED CHARITIES

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

4 Total resources expended Current Year	Unrestricted funds £	Endowment funds £	Total 2023 £
Costs of generating funds			
<u>Investment Management Fees</u>			
Other portfolio management costs	-	47,053	47,053
Costs of rent collection	1,934	-	1,934
Property repairs	678	-	678
Total	2,612	47,053	49,665
Charitable activities			
<u>Charitable expenditure</u>			
Income allocation	5 316,176	-	316,176
	316,176	-	316,176
<u>Governance Costs</u>			
Clerk fees	9,344	-	9,344
Sundry expenses	1,300	-	1,300
Insurance	842	-	842
Legal & professional fees	11,100	-	11,100
Auditors remuneration	5,400	-	5,400
	27,985	-	27,986
Total	346,773	47,053	393,827

MOUNTSORREL UNITED CHARITIES

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

4 Total resources expended (Continued)

Prior Year	Unrestricted funds £	Endowment funds £	Total 2022 £
Costs of generating funds			
<u>Investment Management Fees</u>			
Other portfolio management costs	-	48,109	48,109
Costs of rent collection	1,906	-	1,906
Property repairs	102	-	102
Total	2,008	48,109	50,117
Charitable activities			
<u>Charitable expenditure</u>			
Income allocation	5	-	738,622
	738,622	-	738,622
<u>Governance Costs</u>			
Clerk fees	7,817	-	7,817
Sundry expenses	1,221	-	1,221
Insurance	818	-	818
Legal & professional fees	453	-	453
Auditors remuneration	3,762	-	3,762
	14,071	-	14,071
Total	754,701	48,109	802,810

Governance costs includes payments to the auditors of £4,050 (2022: £2,520) for audit fees.

5 Income allocation

	Total 2023 £	Total 2022 £
Analysis of income allocation		
Distribution to Mountsorrel Church of England Fund	105,392	246,207
Distribution to Mountsorrel Educational Fund	105,392	246,207
Distribution to Mountsorrel Relief in Need Charity	105,392	246,208
	316,176	738,622

Income is allocated for charitable distribution net of expenses, as permitted by the charity's governing document.

MOUNTSORREL UNITED CHARITIES

NOTES TO THE ACCOUNTS (CONTINUED) ***FOR THE YEAR ENDED 31 DECEMBER 2023***

6 Trustees

No trustees (or any persons connected with them) received any remuneration during the current or prior year.

No Trustees have received any reimbursed expenses or any other benefits from the charity during the current and prior year.

7 Employees

There were no employees during the year.

8 Taxation

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

MOUNTSORREL UNITED CHARITIES

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

9 Fixed asset investments

	2023 £	2022 £
Investment properties	1,150,000	1,150,000
Other investments	13,052,540	12,402,213
	<u>14,202,540</u>	<u>13,552,213</u>

	Investment Property £
Market value at 1 January 2023	1,150,000
Market value at 31 December 2023	<u>1,150,000</u>

The investment property is stated at market value as at 22 January 2020 as valued by Andrew Granger. The trustees consider the carrying value at the reporting date to be appropriate.

	Listed investments £	Cash deposits £	Total £
Market value at 1 January 2023	12,177,950	224,263	12,402,213
Disposals at opening book value	(1,594,250)	(1,917,505)	(3,511,755)
Acquisitions at cost	1,487,802	1,933,369	3,421,171
Change in value in the year	740,911	-	740,911
Market value at 31 December 2023	<u>12,812,413</u>	<u>240,127</u>	<u>13,052,540</u>

The historical cost of the listed investments as at 31 December 2023 was £10,925,840 (2022: £11,032,283)

MOUNTSORREL UNITED CHARITIES

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

10 Debtors	2023	2022
	£	£
Other debtors	40,796	23,991
Prepayments and accrued income	1,964	2,716
	<hr/>	<hr/>
	42,760	26,707
	<hr/> <hr/>	<hr/> <hr/>

11 Creditors: amounts falling due within one year	2023	2022
	£	£
Other creditors	14,759	14,724
Accruals	19,168	204,853
	<hr/>	<hr/>
	33,927	219,577
	<hr/> <hr/>	<hr/> <hr/>

MOUNTSORREL UNITED CHARITIES

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

12 Funds

	Balance at 1 January 2023 £	Incoming resources £	Resources expended £	Allocation to income £	Other recognised gains/(losses) £	Balance at 31 December 2023 £
Unrestricted						
General	1,923,084	24,014	(346,773)	391,234	-	1,991,559
Endowments						
Permanent	11,669,966	322,661	(47,053)	(391,234)	782,731	12,337,071
	<u>13,593,050</u>	<u>346,675</u>	<u>(393,826)</u>	<u>-</u>	<u>782,731</u>	<u>14,328,630</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:

Brewin Dolphin	Trust for Investment	Unapplied Total Return	Total Endowment
At beginning of the reporting period:			
Gift component of the permanent endowment	11,669,966	-	11,669,966
Unapplied total return	-	-	-
Total	11,669,966	-	11,669,966
Movements in the reporting period			
Investment return: dividends and interest	-	322,661	322,661
Investment return: realised and unrealised gains and (losses)	667,105	115,626	782,731
Investment Management Costs	-	(47,053)	(47,053)
Total	667,105	391,234	1,058,339
Unapplied total return allocated to income in the reporting period	-	(391,234)	(391,234)
Net movements in reporting period	667,105	-	667,105
At end of the reporting period			
Gift component of the permanent endowment	12,337,071	-	12,337,071
TOTAL	12,337,071	-	12,337,071

Investment returns of £667,105 included in the Trust for Investment relate to a recoupment of funds previously released from the investment fund that need to be replaced. The recoupment balance at the year end is £246,725 (2022: £913,830).

MOUNTSORREL UNITED CHARITIES

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

13 Analysis of net assets between funds

	Unrestricted £	Endowments £	Total £
Fund balances at 31 December 2023 are represented by:			
Investments	1,865,469	12,337,071	14,202,540
Current assets	160,017	-	160,017
Creditors: amounts falling due within one year	(33,927)	-	(33,927)
	<u>1,991,559</u>	<u>12,337,071</u>	<u>14,328,630</u>

14 Related parties

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

Mountsorrel Church of England Fund

During the year, Mountsorrel United Charities allocated Mountsorrel Church of England Fund investment income of £105,392 (2022: £246,207). At the balance sheet date the amount due to Mountsorrel Church of England Fund was £5,000 (2022 - £5,000).

Mountsorrel Educational Fund

As well as being trustees of Mountsorrel United Charities, Reverend Colin Ernst Resch and Megan Pirt are Trustees of Mountsorrel Educational Fund.

During the year, Mountsorrel United Charities allocated Mountsorrel Educational Fund investment income of £105,392 (2022: £246,207). At the balance sheet date the amount due to Mountsorrel Educational Fund was £5,000 (2022 - £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 £105,392 (2022: £246,207). At the balance sheet date the amount due to Mountsorrel Relief in Need Charity was £4,759 (2022 - £4,723).