

MOUNTSORREL UNITED CHARITIES

England & Wales · Charity number 1027652

Details

Status Registered

Legal form Other

Registered 1993-11-03

Register [View on the Charity Commission register](#)

Contact

Address PO Box 11158
Leicester
LE8 8WH

Phone 07410 386483

Email kate@mountsorrelcsf.org.uk

Activities

Activities: Invests funds and distributes income to other charities.

Classification

- **How:** Acts As An Umbrella Or Resource Body
- **What:** Other Charitable Purposes
- **Who:** Other Charities Or Voluntary Bodies

Geography

- **Area of benefit:** PARISH OF MOUNTSORREL
- Leicestershire

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£553,048	£298,621	£15,505,637	0
2023-12-31	£415,248	£393,826	-	-
2022-12-31	£1,103,529	£802,810	£13,593,050	1
2021-12-31	£318,003	£750,139	-	-
2020-12-31	£355,150	£748,478	-	-

Trustees

Name	Role	Appointed
David Mark Gallagher		2026-05-21
David Winsor		2026-04-25
Edward Philip Shaw		2026-03-04
George Overton		2026-05-21
Jayne Elizabeth Ilett		2017-07-26
MEGAN PIRT		2022-03-16
Paul Albert Harris		
Rev Colin Ernst Resch		2015-01-21

Linked charities

- CONSOLIDATED CHARITY (1027652-1)
- NIDD AND DANVERS CHARITY (1027652-2)

Accounts

Charity registration number 1027652 (England and Wales)

MOUNTSORREL UNITED CHARITIES
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

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
Michelle Hought

**Clerk to the Trustees
Contact Details**

Kate Scranage
kate@mountsorrelcsf.org.uk

Charity number (England and Wales)

1027652

Principal address

PO Box 11158
Leicester
LE8 8WH

Auditor

Somerbys Limited
30 Nelson Street
Leicester
LE1 7BA

Bankers

National Westminster Bank plc
Market Place
Loughborough
LE11 3NZ

**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

LEGAL AND ADMINISTRATIVE INFORMATION

Investment advisors

Up to February 2025
RBC Brewin Dolphin Ltd
Waterfront House
Waterfront Plaza
35 Station Street
Nottingham
NG2 3DQ

From February 2025
Rathbones Investment Management
The Colmore Building
20 Colmore Circus
Queensway
Birmingham
B4 6AT

CCLA Investment Management
One Angel Lane
London
EC4R 3AB

Property Manager

Sheldon Bosley Knight Professional Services Ltd T/A
Andrew Granger & Co
44-46 Forest Road
Loughborough
Leicestershire
LE11 3NP

MOUNTSORREL UNITED CHARITIES

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MOUNTSORREL UNITED CHARITIES

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

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 Accounts 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.

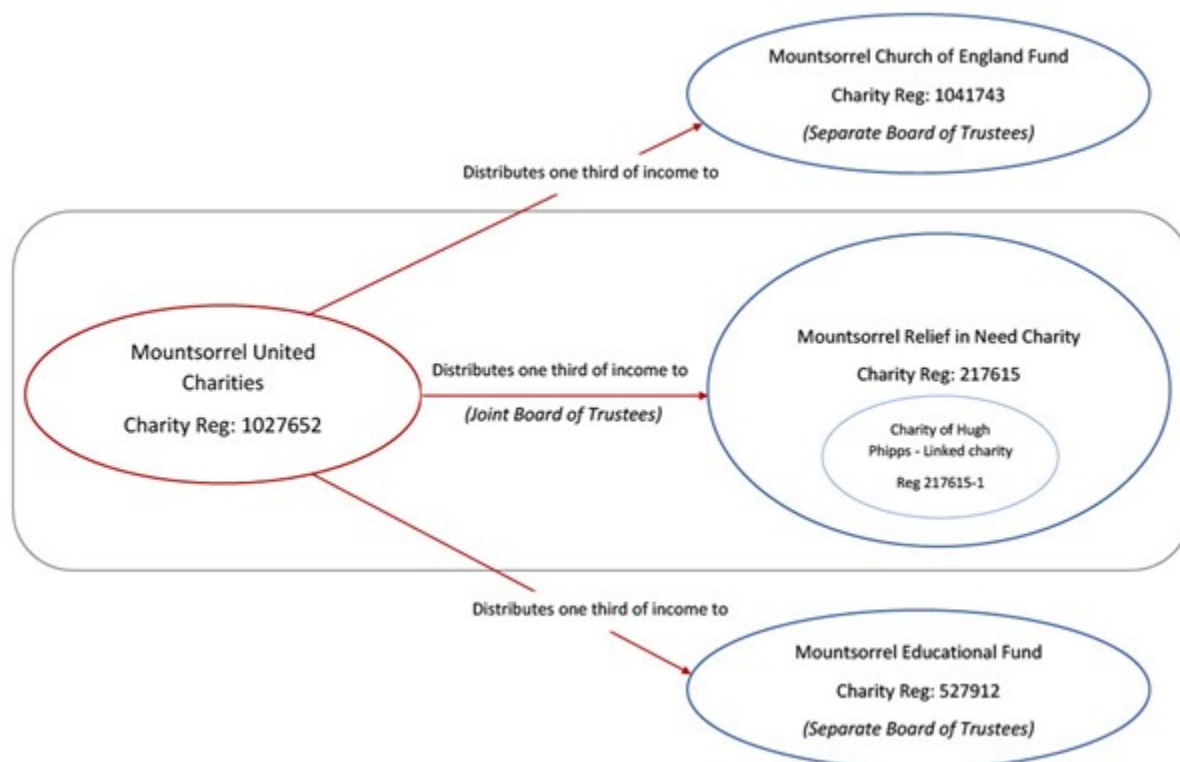
A professional investment manager is appointed, who meets with the trustees at least annually and provides quarterly written reports. An agent is appointed to deal with day to day management of land and property owned by the charity.

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 2024



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 (leased separately), which generates rental income for application to the charity's objects.

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 2024

ACHIEVEMENTS AND PERFORMANCE

Charitable activities

During the year, £219,018 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. A further £14,759 was released to the beneficiary charities during the year in respect of funds previously withheld from distribution.

Disclosure to Charity Commission

In May 2024 the trustees made a disclosure to the Charity Commission regarding the earlier over-distribution of funds, which had resulted in depletion of the value of the Trust for Investment in 2022 and 2023. The Annual Report and Accounts for the year ended 31st December 2022 were also amended to reflect what had happened. The Commission responded to the disclosure in June 2024 to confirm that they considered that the trustees had dealt with the matter appropriately and responsibly. The trustees rigorously reviewed their financial and investment reporting, and a report on the Unapplied Total Return (the funds available for distribution) is now presented to every meeting.

Board of trustees and meetings

Jayne (Nicci) Ilett was re-appointed as Chair, and Colin Resch was appointed as Vice Chair in January 2024.

The board of trustees met eight times in 2024. The trustees received cashflow and available funds reports to every meeting, together with quarterly income and expenditure accounts and investment reports.

The trustees form informal working groups to review specific issues as necessary. All working groups report to the full board of trustees.

Investment assets

The trustees reviewed their investment management arrangements during the year and made the decision to transfer their main investment portfolio from RBC Brewin Dolphin to Rathbones Investment Management. The transfer of assets took place in February 2025.

The trustees commissioned an external re-valuation of their land and property at Launde Farm during the year. This is reflected in the Accounts. Work also continued under the agreement with William Davis Ltd for the promotion of the land and property for development.

The trustees took professional legal advice during the year on whether their investment property, Launde Farm, should be considered as endowed. Having reviewed the advice received, the trustees now consider all their investment assets (including Launde Farm and the investments held with CCLA) to be endowed. The Accounts reflect this change.

MOUNTSORREL UNITED CHARITIES

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Strategic Direction

During the year, the trustees prepared a new 5 Year Strategy and this was adopted in June 2024. This Strategy includes one joint Strategic Objective (shared with Mountsorrel Community Support Fund) and three Strategic Objectives for Mountsorrel United Charities:

Joint Strategic Objective:

Over the next five years we will separate the governance of Mountsorrel Community Support Fund from Mountsorrel United Charities to create a level playing field between the three beneficiary charities.

Strategic Objectives for Mountsorrel United Charities:

Over the next five years we will:

1. Develop a sound approach to investing and disbursing funds, including a review of the total return policy
2. Create a skilled board with the right expertise
3. Increase the transparency of our processes by:
 - a. Increasing stakeholder involvement from all three beneficiary charities, including representation on our board of trustees, and
 - b. Improving our communications

Work towards the Joint Strategic Objective has now commenced and progress against all the objectives is monitored at every meeting.

Policies and Procedures

In addition to existing policies, a new Trustee Expenses Policy and Expenses Claim Form were adopted in April 2024, a Risk Management Policy in June 2024 and written Financial Procedures and Controls in September 2024.

Risk Management

The Risk Register was reviewed in December 2024, and will continue to be reviewed annually. A Risk Management Policy was adopted during the year. The trustees also reviewed their insurance needs this year.

MOUNTSORREL UNITED CHARITIES

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

TRUSTEES

The Charity Scheme 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).

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

Trustee name	Office (if any)	Appointments and Resignations	Name of person (or body) entitled to appoint trustee (if any)
Elizabeth Blackshaw			Mountsorrel Parish Council
Nicole Carr			Mountsorrel Parish Council
Elaine Crossley		Retired 04.12.2024	
Emma Crossley		Retired 30.06.2025	
Benjamin Davies			
Paul Harris			Mountsorrel Parish Council
Michelle Hought			
Jayne Ilett (known as Nicci)	Chair		
Nicola Liquorish			
Penelope Maguire	Vice Chair to 17.01.2024		Mountsorrel Parish Council
Megan Pirt			Mountsorrel Parish Council
Colin Resch (Revd)	Vice Chair from 17.01.2024		Ex-officio
Elizabeth Thompson			
Geoffrey Wainwright			

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.

MOUNTSORREL UNITED CHARITIES

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Financial review

FINANCIAL REVIEW

Financial position

The charity's total income for the year was £373,048 (2023: £346,675).
Expenditure totalled £298,621 (2023: £393,826).

There was an overall gain on investment assets of £1,102,580 (2023: £782,731) resulting in a net surplus of £1,177,007 (2023: surplus of £735,580).

At the year-end, the charity held total assets of £15,505,637 (2023: £14,328,630) that included £14,959,315 of restricted (endowed) funds. Of the endowed funds, £1,250,000 was held as investment property (land and property) for the purpose of long term income generation in support of the charitable objectives.

Principal sources of funds

The charity receives its income from investments held with RBC Brewin Dolphin (Rathbones from February 2025) and with CCLA (COIF Investment Fund), together with rental income from its investment property.

Investments

The charity held total investments valued at £15,414,549 at the year-end (2023: £14,202,540).

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.

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 Trustees' current aim is to distribute £160,000 per beneficiary charity per year, meaning the aspirational target return from investments sought annually is £480,000 (with a minimum annual target of £405,000). Whilst the target return from investments was achieved in 2024, distributions were reduced, in order to recoup over-distribution in earlier periods. Each of the three beneficiary charities received £73,006 during the year.

MOUNTSORREL UNITED CHARITIES

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

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 from its main investment portfolio companies that:

- Promote the consumption of alcohol, when such activity constitutes 10% or more of the company's turnover
- Contribute to significant environmental damage, such as extraction of fossil fuels or instances of severe pollution
- 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

Reserves policy

As at 31st December 2024, the charity held free reserves of £91,088.

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.

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 facing the charity are 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 or powers;
- Information governance risks;
- Operational risks that might arise 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).

MOUNTSORREL UNITED CHARITIES

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

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 FUTURE PERIODS

In 2025, trustees plan to:

- Continue with the implementation of the charity's 5 year Strategy;
- Progress work towards the separation of the charity's governing board from that of Mountsorrel Community Support Fund, including reviewing the composition of the board of trustees, revising the governing document and preparing to make an application to the Charity Commission for amendments to the charity scheme;
- Complete the transfer of the main investment portfolio from RBC Brewin Dolphin to Rathbones, and update the Investment Policy to reflect any changes;
- Develop a policy for the treatment of Unapplied Total Return;
- Continue to progress the options agreement with William Davis Ltd for the promotion for development of the land and property at Launde Farm;
- Conduct a periodical review of their banking and property management arrangements;
- Keep the beneficiary charities informed of key decisions and activities.

MOUNTSORREL UNITED CHARITIES

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

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.

In October 2023 the trustees concluded (following legal advice) that there had been over-allocation from the Trust for Investment to the income fund (Trust for Application) 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. Charitable distributions were therefore withheld for Quarter 1 of 2024. Recoupment was completed during Quarter 1 2024 and distributions resumed from Quarter 2.

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.

During 2024 David Judge, Chartered FCSI (investment manager) advised the charity on the total return approach to investment.

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 period.

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 charity scheme. 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 annual report was approved by the trustees of the charity on 3rd September 2025 and signed on its behalf by:

Jayne Ilett
Chair

3 September 2025

MOUNTSORREL UNITED CHARITIES

INDEPENDENT AUDITOR'S 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 2024 which comprise the statement of financial activities, the balance sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2024 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the 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 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.

Matters on which we are required to report by exception

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

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

MOUNTSORREL UNITED CHARITIES

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF MOUNTSORREL UNITED CHARITIES

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, 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 cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

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; Charities 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.

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.

MOUNTSORREL UNITED CHARITIES

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF MOUNTSORREL UNITED CHARITIES

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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in 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 the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Alexander West FCA (Senior Statutory Auditor)

For and on behalf of Somerbys Limited, Statutory Auditor

Chartered Accountants

30 Nelson Street

Leicester

LE1 7BA

Date:

Somerbys 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 2024

Current financial year		Unrestricted funds 2024 £	Endowment funds 2024 £	Total 2024 £	Total 2023 £
	Notes				
Income from:					
Investments	3	24,674	348,374	373,048	346,675
Total income and endowments		24,674	348,374	373,048	346,675
Expenditure on:					
Raising funds	4	2,691	51,540	54,231	49,665
Charitable activities	5	219,018	-	219,018	316,176
Governance costs	10	25,372	-	25,372	27,985
Total expenditure		247,081	51,540	298,621	393,826
Net gains/(losses) on investments	11	-	1,102,580	1,102,580	782,731
Net income/(expenditure)		(222,407)	1,399,414	1,177,007	735,580
Transfers between funds		(1,222,830)	1,222,830	-	-
Net movement in funds	7	(1,445,237)	2,622,244	1,177,007	735,580
Reconciliation of funds:					
Fund balances at 1 January 2024		1,991,559	12,337,071	14,328,630	13,593,050
Fund balances at 31 December 2024		546,322	14,959,315	15,505,637	14,328,630

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

MOUNTSORREL UNITED CHARITIES

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Prior financial year		Unrestricted funds 2023 £	Endowment funds 2023 £	Total 2023 £
	Notes			
Income from:				
Investments	3	24,014	322,661	346,675
Total income and endowments		24,014	322,661	346,675
Expenditure on:				
Raising funds	4	2,612	47,053	49,665
Charitable activities	5	316,176	-	316,176
Governance costs	10	27,985	-	27,985
Total expenditure		346,773	47,053	393,826
Net gains/(losses) on investments	11	-	782,731	782,731
Net income/(expenditure)		(322,759)	1,058,339	735,580
Transfers between funds		391,234	(391,234)	-
Net movement in funds	7	68,475	667,105	735,580
Reconciliation of funds:				
Fund balances at 1 January 2023		1,923,084	11,669,966	13,593,050
Fund balances at 31 December 2023		1,991,559	12,337,071	14,328,630

MOUNTSORREL UNITED CHARITIES

BALANCE SHEET

AS AT 31 DECEMBER 2024

		2024		2023	
	Notes	£	£	£	£
Fixed assets					
Investment property	13		1,250,000		1,150,000
Investments	14		14,164,549		13,052,540
			<u>15,414,549</u>		<u>14,202,540</u>
Current assets					
Debtors	15	54,138		42,760	
Cash at bank and in hand		57,985		117,257	
		<u>112,123</u>		<u>160,017</u>	
Creditors: amounts falling due within one year	16	(21,035)		(33,927)	
Net current assets			<u>91,088</u>		<u>126,090</u>
Total assets less current liabilities			<u>15,505,637</u>		<u>14,328,630</u>
The funds of the charity					
Endowment funds	17		14,959,315		12,337,071
Unrestricted funds	18		546,322		1,991,559
			<u>15,505,637</u>		<u>14,328,630</u>

The financial statements were approved by the trustees on 3 September 2025

Jayne Ilett
Chair

MOUNTSORREL UNITED CHARITIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

Charity information

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.

1.1 Going concern

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

1.2 Charitable funds

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.

1.3 Income

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.

1.4 Expenditure

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.

MOUNTSORREL UNITED CHARITIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

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.

1.5 Investment property

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.

1.6 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.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

MOUNTSORREL UNITED CHARITIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.9 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.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

There are no critical judgements (apart from those involving estimates) in applying the charity's accounting policies.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Investment Property

The charity carries its investment property at fair value at each reporting date, with changes in fair value being recognised in the statement of financial activities.

Listed investments

The charity carries its listed investments at fair value at each reporting date based on quoted prices, with changes in fair value being recognised in the statement of financial activities.

MOUNTSORREL UNITED CHARITIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

3 Income from investments

	Unrestricted funds 2024 £	Endowment funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Endowment funds 2023 £	Total 2023 £
Rental income	17,592	-	17,592	17,073	-	17,073
Income from listed investments	7,080	348,374	355,454	6,941	322,661	329,602
Interest receivable	2	-	2	-	-	-
	<u>24,674</u>	<u>348,374</u>	<u>373,048</u>	<u>24,014</u>	<u>322,661</u>	<u>346,675</u>

4 Expenditure on raising funds

	Unrestricted funds 2024 £	Endowment funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Endowment funds 2023 £	Total 2023 £
Costs of generating funds						
Property repairs	672	-	672	678	-	678
Costs of rent collection	2,019	-	2,019	1,934	-	1,934
	<u>2,691</u>	<u>-</u>	<u>2,691</u>	<u>2,612</u>	<u>-</u>	<u>2,612</u>
Investment management	<u>-</u>	<u>51,540</u>	<u>51,540</u>	<u>-</u>	<u>47,053</u>	<u>47,053</u>
Total costs	<u>2,691</u>	<u>51,540</u>	<u>54,231</u>	<u>2,612</u>	<u>47,053</u>	<u>49,665</u>

5 Expenditure on charitable activities

	Grants 2024 £	Grants 2023 £
Direct costs		
Grant funding of activities (see note 6)	219,018	316,176
	<u>219,018</u>	<u>316,176</u>
Analysis by fund		
Unrestricted funds	219,018	316,176
	<u>219,018</u>	<u>316,176</u>

MOUNTSORREL UNITED CHARITIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

6 Grants payable

	Grants 2024 £	Grants 2023 £
Grants to institutions (3 grants):		
Distribution to Mountsorrel Relief In Need Charity	73,006	105,392
Distribution to Mountsorrel Church of England Fund	73,006	105,392
Distribution to Mountsorrel Educational Fund	73,006	105,392
	<u>219,018</u>	<u>316,176</u>

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

7 Net movement in funds

	2024 £	2023 £
The net movement in funds is stated after charging/(crediting):		
Fees payable for the audit of the charity's financial statements	<u>5,670</u>	<u>5,400</u>

8 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.

9 Employees

There were no employees during the year.

10 Governance costs

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Auditors remuneration	6,330	5,400
Sundry expenses	846	1,300
Clerk fees	7,393	9,344
Legal and professional fees	9,919	11,100
Insurance	884	841
	<u>25,372</u>	<u>27,985</u>

MOUNTSORREL UNITED CHARITIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

11 Gains and losses on investments

	Endowment funds 2024 £	Endowment funds 2023 £
Gains/(losses) arising on:		
Revaluation of investments	948,978	740,911
Sale of investments	53,602	41,820
Revaluation of investment properties	100,000	-
	<u>1,102,580</u>	<u>782,731</u>

12 Taxation

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

13 Investment property

	2024 £
Fair value	
At 1 January 2024	1,150,000
Net gains or losses through fair value adjustments	100,000
	<u>1,250,000</u>
At 31 December 2024	<u>1,250,000</u>

The fair value of the investment property has been arrived at on the basis of a valuation carried out at 1st August 2024 by Andrew Granger, who are not connected with the charity. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

14 Fixed asset investments

	Listed investments £	Cash in portfolio £	Total £
Cost or valuation			
At 1 January 2024	12,812,413	240,127	13,052,540
Additions	2,084,751	2,188,396	4,273,147
Valuation changes	948,978	-	948,978
Disposals	(1,801,106)	(2,309,010)	(4,110,116)
	<u>14,045,036</u>	<u>119,513</u>	<u>14,164,549</u>
At 31 December 2024	<u>14,045,036</u>	<u>119,513</u>	<u>14,164,549</u>
Carrying amount			
At 31 December 2024	<u>14,045,036</u>	<u>119,513</u>	<u>14,164,549</u>
At 31 December 2023	<u>12,812,413</u>	<u>240,127</u>	<u>13,052,540</u>

MOUNTSORREL UNITED CHARITIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

15 Debtors

	2024 £	2023 £
Amounts falling due within one year:		
Other debtors	51,910	40,796
Prepayments and accrued income	2,228	1,964
	<u>54,138</u>	<u>42,760</u>

16 Creditors: amounts falling due within one year

	2024 £	2023 £
Other creditors	-	14,759
Accruals	21,035	19,168
	<u>21,035</u>	<u>33,927</u>

17 Endowment funds

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.

	At 1 January 2024 £	Incoming resources £	Resources expended £	Transfers £	Gains and losses £	At 31 December 2024 £
Permanent endowments						
	12,337,071	348,374	(51,540)	1,222,830	1,102,580	14,959,315
	<u>12,337,071</u>	<u>348,374</u>	<u>(51,540)</u>	<u>1,222,830</u>	<u>1,102,580</u>	<u>14,959,315</u>
Previous year:	At 1 January 2023 £	Incoming resources £	Resources expended £	Transfers £	Gains and losses £	At 31 December 2023 £
Permanent endowments						
	11,669,966	322,661	(47,053)	(391,234)	782,731	12,337,071
	<u>11,669,966</u>	<u>322,661</u>	<u>(47,053)</u>	<u>(391,234)</u>	<u>782,731</u>	<u>12,337,071</u>

MOUNTSORREL UNITED CHARITIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

17 Endowment funds

(Continued)

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	12,337,071	-	12,337,071
Unapplied total return	-	-	-
Total	12,337,071	-	12,337,071
Movements in the reporting period			
Investment return: dividends and interest	-	348,374	348,374
Investment return: realised and unrealised gains and (losses)	300,076	696,792	996,868
Investment Management Costs	-	(51,540)	(51,540)
Total	300,076	993,626	1,293,702
Unapplied total return allocated to income in the reporting period	-	(180,000)	(180,000)
Net movements in reporting period	300,076	813,626	1,113,702
At end of the reporting period			
Gift component of the permanent endowment	12,637,147	813,626	13,450,773
	12,637,147	813,626	13,450,773

Investment returns of £300,076 included in the Trust for Investment relate to a recoupment of funds previously released from the investment fund that need to be replaced. The trustees re-visited the recoupment balance during the year having realised that it was miscalculated based on an incorrect figure and has been updated in the year. The recoupment balance has been fully recouped at the year end (2023: £300,076).

MOUNTSORREL UNITED CHARITIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

18 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 January 2024	Incoming resources	Resources expended	Transfers	At 31 December 2024
	£	£	£	£	£
General funds	1,991,559	24,674	(247,081)	(1,222,830)	546,322
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Previous year:	At 1 January 2023	Incoming resources	Resources expended	Transfers	At 31 December 2023
	£	£	£	£	£
General funds	1,923,084	24,014	(346,773)	391,234	1,991,559
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

19 Analysis of net assets between funds

	Unrestricted funds 2024 £	Endowment funds 2024 £	Total 2024 £
At 31 December 2024:			
Investment properties	-	1,250,000	1,250,000
Investments	455,234	13,709,315	14,164,549
Current assets/(liabilities)	91,088	-	91,088
	<u>546,322</u>	<u>14,959,315</u>	<u>15,505,637</u>
	<u> </u>	<u> </u>	<u> </u>
	Unrestricted funds 2023 £	Endowment funds 2023 £	Total 2023 £
At 31 December 2023:			
Investment properties	1,150,000	-	1,150,000
Investments	715,469	12,337,071	13,052,540
Current assets/(liabilities)	126,090	-	126,090
	<u>1,991,559</u>	<u>12,337,071</u>	<u>14,328,630</u>
	<u> </u>	<u> </u>	<u> </u>

MOUNTSORREL UNITED CHARITIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

20 Related party transactions

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 £73,006 (2023: £105,392). At the balance sheet date the amount due to Mountsorrel Church of England Fund was £nil (2023 - £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 £73,006 (2023: £105,392). At the balance sheet date the amount due to Mountsorrel Educational Fund was £nil (2023 - £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 £73,006 (2023: £105,392). At the balance sheet date the amount due from Mountsorrel Relief in Need Charity was £1,146 (2023 - £4,759 was due to Mountsorrel Relief in Need).

Accounts

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

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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.

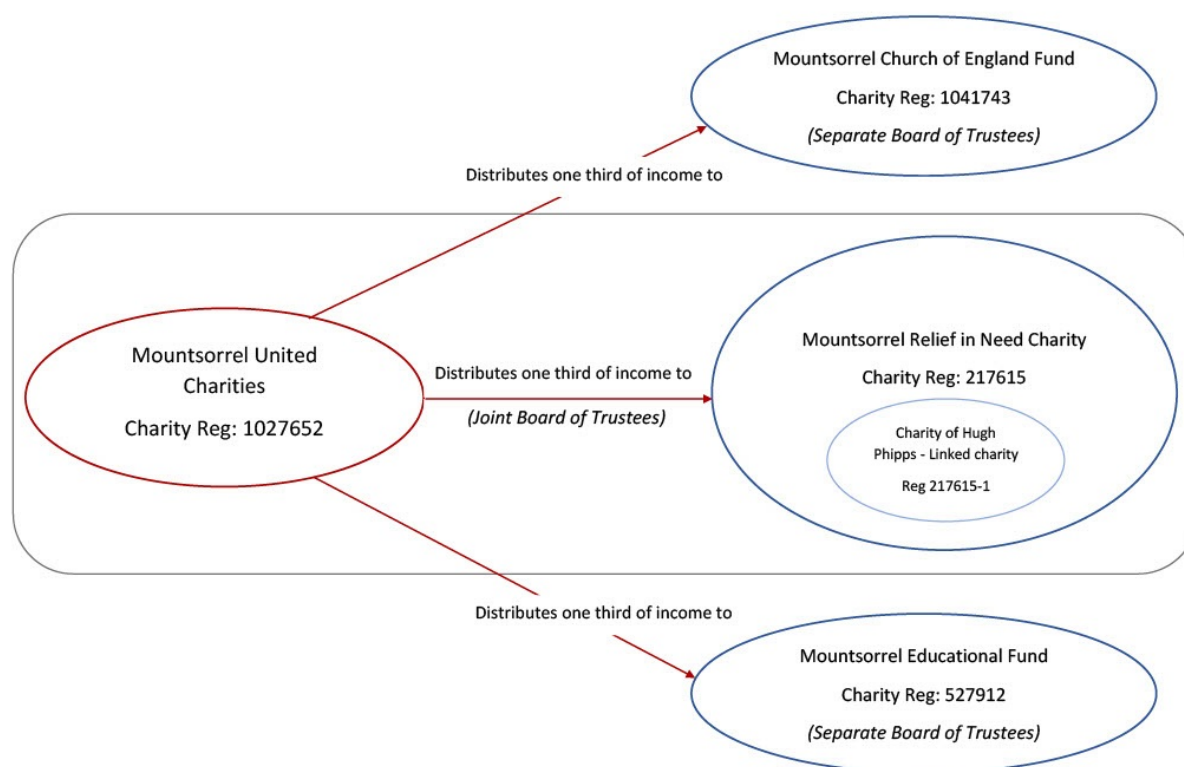
A professional investment manager is appointed, who meets with the trustees at least annually and provides quarterly written reports. An agent is appointed to deal with day to day management of land and property owned by the charity.

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><u>14,328,630</u></u>		<u><u>13,593,050</u></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><u>14,328,630</u></u>		<u><u>13,593,050</u></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

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>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>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
	<u>42,760</u>	<u>26,707</u>

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

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).

Accounts

Charity registration number: 1027652

Amended Accounts Mountsorrel United Charities

Annual Report and Financial Statements

for the Year Ended 31 December 2022

Mountsorrel United Charities

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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.

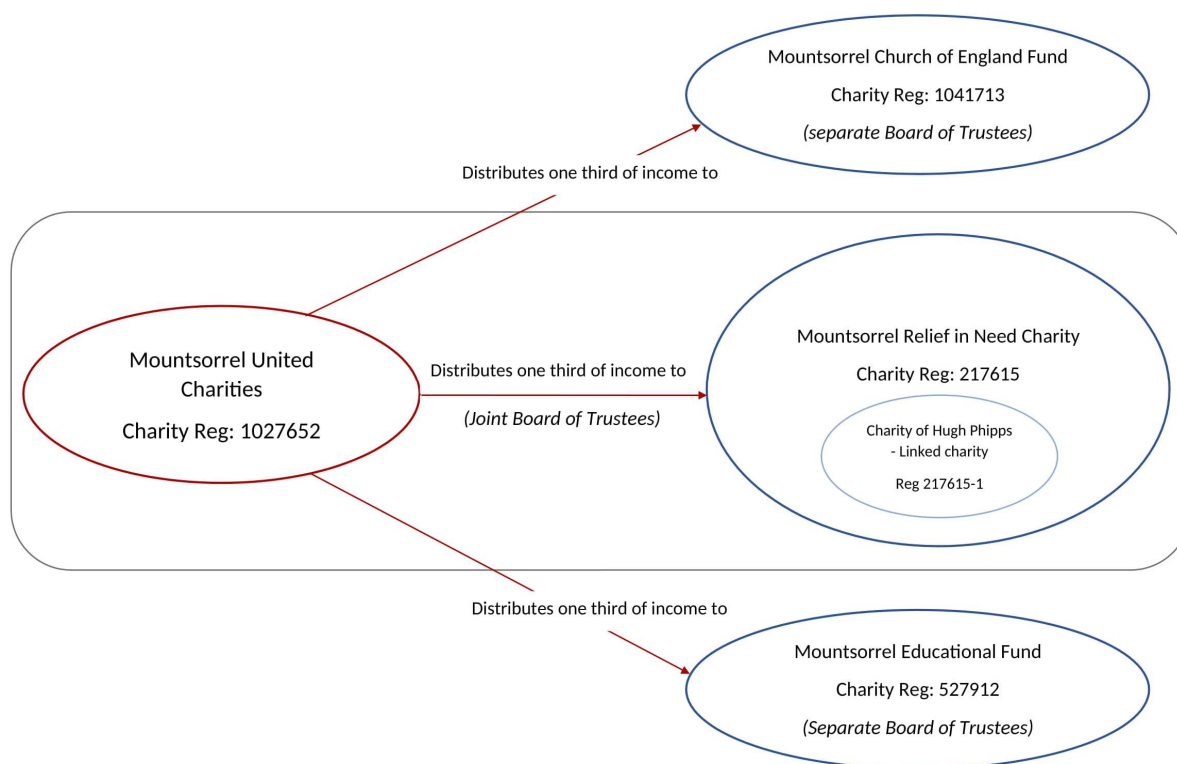
The charity's endowment fund is invested to generate income in order to fulfil the objects. In addition, the charity holds an investment property known as Launde Farm, Uppingham, comprising some 50 acres of land together with a farmhouse. The land and farmhouse are leased separately and rental income 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 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		25,685	299,056	324,741
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		1,873,312	13,663,883	15,537,195
Total funds carried forward	16	1,923,084	11,669,966	13,593,050
	Note	Unrestricted funds £	Endowment funds £	Total 2021 £ (As restated)
Income and Endowments from:				
Investment income	3	23,628	294,375	318,003
Total income		23,628	294,375	318,003
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		1,823,849	12,637,147	14,460,996
Total funds carried forward	16	1,873,312	13,663,883	15,537,195

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	12,402,213	14,406,489
	<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	1,150,000
Provision	
At 31 December 2022	-
Net book value	
At 31 December 2022	1,150,000
At 31 December 2021	1,150,000
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	(2,099,391)	(47,947)	(2,147,338)
At 31 December 2022	12,177,950	224,263	12,402,213
Net book value			
At 31 December 2022	12,177,950	224,263	12,402,213
At 31 December 2021	14,134,277	272,210	14,406,487

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
	<u>26,707</u>	<u>15,376</u>

14 Cash and cash equivalents

	2022 £	2021 £
Cash at bank	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
	<u>219,577</u>	<u>205,601</u>

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	<u>15,537,195</u>	<u>(454,047)</u>	<u>(802,810)</u>	<u>778,788</u>	<u>(1,466,076)</u>

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	11,669,966	-	11,669,966
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).

Accounts

Charity registration number: 1027652

Mountsorrel United Charities

Annual Report and Financial Statements

for the Year Ended 31 December 2021

Mountsorrel United Charities

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Mountsorrel United Charities

Trustees' Report

Reference and Administrative Details

Principal office:

7 Oakthorpe Avenue, Leicester, LE3 0UR

Clerk to the trustees:

Jane Hammond
janelouisehammond@gmail.com

Bankers:

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

Auditor:

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

Investment adviser:

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Mountsorrel United Charities comprises the following:

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

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

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

Charity Commission schemes relating to the above entities are:

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

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

Mountsorrel United Charities

Trustees' Report

TRUSTEES

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

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

Co-opted trustees who served during the period were:

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

Nominated trustees who served during the period were:

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

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

- Reverend Colin Ernst Resch

RECRUITMENT AND INDUCTION OF TRUSTEES

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

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

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

Mountsorrel United Charities

Trustees' Report

OBJECTIVES AND ACTIVITIES

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

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

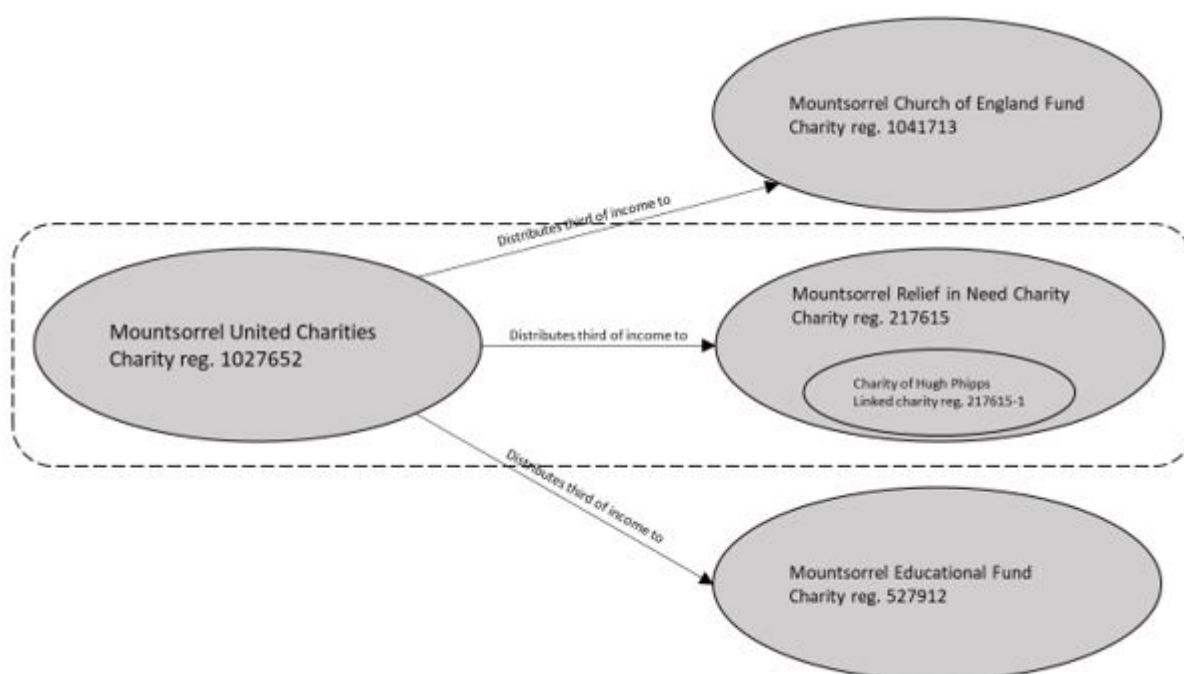
Mountsorrel United Charities acts as an umbrella organisation, investing funds and distributing income derived from an investment portfolio comprising:

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

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

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

See organogram for more information.



Mountsorrel United Charities

Trustees' Report

ACHIEVEMENTS AND PERFORMANCE

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

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

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

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

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

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

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

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

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

Mountsorrel United Charities

Trustees' Report

Public Benefit

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

Impact of Covid-19

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

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

FINANCIAL REVIEW

Results

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

Investments

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

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

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

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

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

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

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

Delegating powers

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

Mountsorrel United Charities

Trustees' Report

Investment objective

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

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

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

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

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

Reserves policy

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

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

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

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

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

Risk management

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

Mountsorrel United Charities

Trustees' Report

PLANS FOR FUTURE PERIODS

In 2022, trustees plan to:

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

Fundraising disclosures

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

Financial instruments

Objectives and policies

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

Credit risk

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

Endowment fund is invested on a total return basis

Brewin Dolphin

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

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

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

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

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

Disclosure of information to auditor

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

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

.....
G Overton
Chair and trustee

Mountsorrel United Charities

Statement of Trustees' Responsibilities

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

The law applicable to charities requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

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

.....
G Overton
Chair and trustee

Mountsorrel United Charities

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

Opinion

We have audited the financial statements of Mountsorrel United Charities (the 'charity') for the year ended 31 December 2021, which comprise the Statement of Financial Activities, Balance Sheet, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Mountsorrel United Charities

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 8), the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor Responsibilities for the audit of the financial statements

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

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

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

Mountsorrel United Charities

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

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our work has been undertaken so that we might state to the trustees those matters we are required to state to trustees in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

.....
RWB CA Limited, Statutory Auditor

Northgate House
North Gate
New Basford
Nottingham
NG7 7BQ

8 June 2022

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

Mountsorrel United Charities

Statement of Financial Activities for the Year Ended 31 December 2021

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

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

Mountsorrel United Charities

Balance Sheet as at 31 December 2021

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

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

.....
G Overton
Chair and trustee

Mountsorrel United Charities

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

1 Accounting policies

Statement of compliance

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

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

Basis of preparation

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

Exemption from preparing a cash flow statement

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

Going concern

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

Income and endowments

Investment income

Dividends are recognised once the dividend has been received.

Expenditure

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

Raising funds

These are costs incurred in the management of investments.

Charitable activities

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

Mountsorrel United Charities

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

Grant provisions

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

Governance costs

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

Taxation

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

Tangible fixed assets

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

Depreciation and amortisation

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

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.

Fixed asset investments

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

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

Fund structure

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

Permanent endowment funds are restricted funds held for income generation.

Mountsorrel United Charities

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

Financial instruments

Investments

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

Fair value measurement

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

2 Investment income

	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
	<u>23,628</u>	<u>294,375</u>	<u>318,003</u>
		Unrestricted funds General £	Total 2020 £
Other income from fixed asset investments		337,953	337,953
Income from rents		17,197	17,197
		<u>355,150</u>	<u>355,150</u>

3 Expenditure on raising funds

a) Investment management costs

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

Mountsorrel United Charities

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

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

4 Expenditure on charitable activities

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

Mountsorrel United Charities

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

5 Analysis of governance and support costs

Governance costs

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

6 Income allocation

Analysis of income allocation

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

Mountsorrel United Charities

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

7 Net incoming/outgoing resources

Net outgoing resources for the year include:

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

8 Trustees remuneration and expenses

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

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

9 Auditors' remuneration

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

10 Taxation

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

Mountsorrel United Charities

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

11 Tangible fixed assets

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

12 Fixed asset investments

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

Investment properties

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

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

Mountsorrel United Charities

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

Other investments

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

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

13 Debtors

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

14 Cash and cash equivalents

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

15 Creditors: amounts falling due within one year

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

Mountsorrel United Charities

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

Deferred income relates to rental income in advance.

16 Funds

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

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

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

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

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

Mountsorrel United Charities

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

17 Analysis of net assets between funds

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

18 Related party transactions

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

Mountsorrel Church of England Fund

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

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

Mountsorrel Educational Fund

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

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

Mountsorrel Relief in Need Charity and Charity of Hugh Phipps

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

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

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

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

Accounts

Charity registration number: 1027652

Mountsorrel United Charities

Annual Report and Financial Statements
for the Year Ended 31 December 2020

Mountsorrel United Charities

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Mountsorrel United Charities

Trustees' Report

Reference and Administrative Details

Principal office:

7 Oakthorpe Avenue, Leicester, LE3 0UR

Clerk to the trustees:

Jane Hammond
janelouisehammond@gmail.com

Bankers:

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

Auditor:

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

Investment adviser:

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Mountsorrel United Charities comprises the following:

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

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

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

Charity Commission schemes relating to the above entities are:

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

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

Mountsorrel United Charities

Trustees' Report

TRUSTEES

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

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

Co-opted trustees who served in 2020 were:

- Christopher William Berry
- Roger Verdun Carroll
- Daisy Eng Kim Chan
- Benjamin Evan Davies
- Jayne Elizabeth Ilett (Vice Chair)
- George Overton (Chair)
- Trevor Rigley
- Andrew Charles Robinson (resigned 6th September 2020)
- Linda Ann Tyman
- Geoff Wainwright

Nominated trustees who served in 2020 were:

- Elizabeth Mary Blackshaw (appointed 9th December 2020)
- Leigh Karen Emmins (resigned 9th September 2020)
- Paul Albert Harris
- Stephen Roy Haywood
- Penelope Jane Maguire
- Frederick Lewis Newitt

The ex-officio trustee who served in 2020 was:

- Reverend Colin Ernst Resch

RECRUITMENT AND INDUCTION OF TRUSTEES

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

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

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

Mountsorrel United Charities

Trustees' Report

OBJECTIVES AND ACTIVITIES

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

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

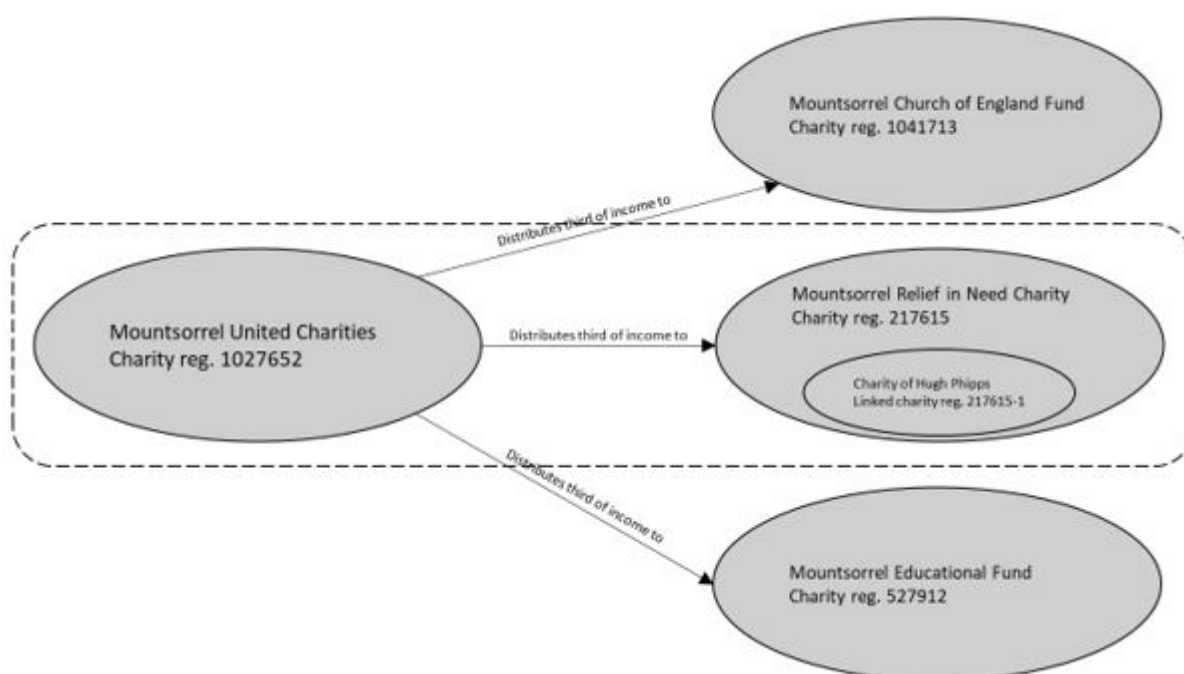
Mountsorrel United Charities acts as an umbrella organisation, investing funds and distributing income derived from an investment portfolio comprising:

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

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

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

See organogram for more information.



Mountsorrel United Charities

Trustees' Report

ACHIEVEMENTS AND PERFORMANCE

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

In March 2020 a conflicts of interest policy was adopted and a new register of interests was set up.

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

The finance committee (established in 2019) met three times in 2020, with the overall purpose of:

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

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

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

The following work was undertaken by the finance committee in 2020 and ratified by the full board of trustees:

a) In June 2020, guidance was sought from the Charity Commission with regard to the status of capital investments held by MUC. Non-land investments are not mentioned specifically in MUC's governing documents, but the Charity Commission ruled that they consider those investments as "permanently endowed". As such, it was established that withdrawals of capital cannot be made without Charity Commission permission (beyond withdrawals made by total return).

b) In July 2020 trustees agreed to increase the level of risk to which the investments held with Brewin Dolphin are exposed. This brought about a move from Brewin Dolphin Risk Category 4 (lower risk) to Risk Category 6 (medium to high risk).

c) In August 2020, prompted by a reduction in cash reserves and an anticipated increase in grant applications to the Relief in Need Charity due to the impact of the Covid-19 global pandemic, trustees agreed to draw down £300,000 from the Brewin Dolphin portfolio on a one-off basis, to be split equally between the Relief in Need Charity, the Educational Fund and the Church of England Fund. This was subject to permission from the Charity Commission, which was granted on 14th August 2020.

d) In September 2020, to ensure regular cashflow, trustees agreed to seek a total return of 5.5% on investments, with investment managers considering not only the capital appreciation on the portfolio, but also the income received on the portfolio.

Trustees also reviewed working arrangements for the Clerk and decided to continue with the role as self-employed.

e) An investment policy was drafted during the autumn, considered by the finance committee in November and adopted in January 2021.

Mountsorrel United Charities

Trustees' Report

Income targets are currently estimated at £160,000 per charity per year, meaning the total return sought annually is at least £480,000. It was agreed to establish a meeting with Brewin Dolphin in January each year (commencing in January 2021) to discuss the income target for the forthcoming year.

The annual report and financial statements for MUC and Relief in Need Charity have previously been presented as a single, combined document. Trustees sought advice from the accountant and decided to begin filing separate documents for each charity for years ended 31 December 2020 onwards, to ensure greater transparency and ease of understanding.

Similarly, for over 40 years the combined business of Mountsorrel United Charities, Mountsorrel Relief in Need Charity and the Charity of Hugh Phipps has been conducted via the Mountsorrel United Charities bank account. To ensure greater transparency, trustees decided that a separate bank account for the Relief in Need Charity and Charity of Hugh Phipps should be opened.

Public Benefit

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

Impact of Covid-19

- Trustees decided to conduct virtual meetings using the Zoom application.
- The global pandemic caused the fastest fall in global markets in history, with portfolio values dropping accordingly by more than 10% in March. However, markets, and the value of the portfolio subsequently recovered well.

FINANCIAL REVIEW

Results

Income for the year derived from investments was £355,150 (2019: £459,857). Expenditure totalled £748,478 (2019: £465,356), and there was an overall gain on investment assets of £330,130 (2019: £1,201,332) giving rise to a (deficit)/surplus of (£63,198) (2019: £1,197,833).

Investments

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

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

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

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

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

Mountsorrel United Charities

Trustees' Report

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

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

Delegating powers

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

Investment objective

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

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

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

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

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

Reserves policy

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.

Risk management

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

Mountsorrel United Charities

Trustees' Report

PLANS FOR FUTURE PERIODS

In 2021, trustees plan to:

- Open a new bank account for the Relief in Need Charity and Charity of Hugh Phipps, separate and distinct from Mountsorrel United Charities
- Review the reserves policy
- Review the risk management policy
- Write an ethical investment policy
- Review the ongoing viability of continuing to hold an investment in property and land

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.

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 9 June 2021 and signed on its behalf by:

.....
G Overton
Chair and trustee

Mountsorrel United Charities

Statement of Trustees' Responsibilities

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

The law applicable to charities requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

Approved by the trustees of the charity on 9 June 2021 and signed on its behalf by:

.....
G Overton
Chair and trustee

Mountsorrel United Charities

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

Opinion

We have audited the financial statements of Mountsorrel United Charities (the 'charity') for the year ended 31 December 2020, 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 2020 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 original financial statements were authorised for issue.

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Mountsorrel United Charities

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 8), the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's 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

- 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 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

21 July 2021

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 2020

	Note	Unrestricted funds £	Endowment funds £	Total 2020 £
Income and Endowments from:				
Investment income	2	355,150	-	355,150
Total income		355,150	-	355,150
Expenditure on:				
Charitable activities		(301,103)	(447,375)	(748,478)
Total expenditure		(301,103)	(447,375)	(748,478)
Gains/losses on investment assets		-	330,130	330,130
Net income/(expenditure)		54,047	(117,245)	(63,198)
Net movement in funds		54,047	(117,245)	(63,198)
Reconciliation of funds				
Total funds brought forward		1,769,802	12,767,982	14,537,784
Total funds carried forward	16	1,823,849	12,650,737	14,474,586
	Note	Unrestricted funds £	Endowment funds £	Total 2019 £ (As restated)
Income and Endowments from:				
Investment income	2	459,857	-	459,857
Total income		459,857	-	459,857
Expenditure on:				
Charitable activities		(416,864)	(46,492)	(463,356)
Total expenditure		(416,864)	(46,492)	(463,356)
Gains/losses on investment assets		-	1,201,332	1,201,332
Net income		42,993	1,154,840	1,197,833
Net movement in funds		42,993	1,154,840	1,197,833
Reconciliation of funds				
Total funds brought forward		1,726,809	11,613,142	13,339,951
Total funds carried forward	16	1,769,802	12,767,982	14,537,784

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

Mountsorrel United Charities

Balance Sheet as at 31 December 2020

	Note	2020 £	(As restated) 2019 £
Fixed assets			
Tangible assets	11	293	587
Investments	12	14,540,275	14,658,495
		<u>14,540,568</u>	<u>14,659,082</u>
Current assets			
Debtors	13	16,596	32,027
Cash at bank and in hand	14	384,198	226,948
		400,794	258,975
Creditors: Amounts falling due within one year	15	<u>(466,776)</u>	<u>(380,273)</u>
Net current liabilities		<u>(65,982)</u>	<u>(121,298)</u>
Net assets		<u>14,474,586</u>	<u>14,537,784</u>
Funds of the charity:			
Endowment		12,650,737	12,767,982
Unrestricted income funds			
Unrestricted		<u>1,823,849</u>	<u>1,769,802</u>
Total funds	16	<u>14,474,586</u>	<u>14,537,784</u>

The financial statements on pages 12 to 23 were approved by the trustees, and authorised for issue on 9 June 2021 and signed on their behalf by:

.....
G Overton
Chair and trustee

Mountsorrel United Charities

Notes to the Financial Statements for the Year Ended 31 December 2020

1 Accounting policies

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

Basis of preparation

Mountsorrel United Charities meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Exemption from preparing a cash flow statement

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

Going concern

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

Reclassification of comparative amounts

The charity is purely an administrative body intended to hold the investments and distribute the income to the three separate independent charities. Previously the charity recognised one third of the gross income and one third of the expenses, being the activities of the Mountsorrel Relief in Need Charity, but having reviewed the wording of the charity commission scheme, the gross income is now recognised and the distributions to the independent charities are shown as grants payable to institutions. The comparative results for the year ended 31 December 2019 have been amended accordingly.

As a result of the reclassification the following amendments have been made:

- Incoming resources has increased by £306,095
- Resources expended have increased by £217,448
- Debtors have decreased by £673
- Creditors have increased by £104,277
- Opening funds have decreased by £193,597
- Closing funds have decreased by £104,950

Mountsorrel United Charities

Notes to the Financial Statements for the Year Ended 31 December 2020

Income and endowments

Investment income

Dividends are recognised once the dividend has been received.

Expenditure

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

Raising funds

These are costs incurred in the management of investments.

Charitable activities

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

Grant provisions

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

Governance costs

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

Taxation

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

Tangible fixed assets

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

Depreciation and amortisation

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

Asset class	Depreciation method and rate
Equipment	Straight line basis over 3 years

Mountsorrel United Charities

Notes to the Financial Statements for the Year Ended 31 December 2020

Investment properties

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

Fixed asset investments

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

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

Fund structure

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

Permanent endowment funds are restricted funds held for income generation.

Financial instruments

Investments

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

Fair value measurement

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

2 Investment income

	Unrestricted funds General £	Total 2020 £
Other income from fixed asset investments	337,953	337,953
Income from rents	17,197	17,197
	<u>355,150</u>	<u>355,150</u>

Mountsorrel United Charities

Notes to the Financial Statements for the Year Ended 31 December 2020

	Unrestricted funds General £	Total 2019 £
Other income from fixed asset investments	442,660	442,660
Income from rents	17,197	17,197
	<u>459,857</u>	<u>459,857</u>

3 Expenditure on charitable activities

	Unrestricted funds General £	Endowment funds Permanent £	Total 2020 £
Income allocation	285,988	402,496	688,484
Clerk fees	8,844	-	8,844
Sundry expenses	93	-	93
Depreciation of equipment	294	-	294
Insurance	802	-	802
Investment management costs	2,782	44,879	47,661
	<u>298,803</u>	<u>447,375</u>	<u>746,178</u>

	Unrestricted funds General £	Endowment funds Permanent £	Total 2019 £
Income allocation	393,207	-	393,207
Clerk fees	8,602	-	8,602
Sundry expenses	56	-	56
Depreciation of equipment	294	-	294
Insurance	807	-	807
Xero - training	863	-	863
Investment management costs	10,749	46,492	57,241
	<u>414,578</u>	<u>46,492</u>	<u>461,070</u>

Mountsorrel United Charities

Notes to the Financial Statements for the Year Ended 31 December 2020

4 Analysis of governance and support costs

Governance costs

	Unrestricted funds General £	Total 2020 £
Audit fees		
Audit of the financial statements	900	900
Other fees paid to auditors	1,400	1,400
	<u>2,300</u>	<u>2,300</u>
	Unrestricted funds General £	Total 2019 £
Independent examiner fees		
Examination of the financial statements	804	804
Other fees paid to examiners	1,482	1,482
	<u>2,286</u>	<u>2,286</u>

5 Income allocation

Analysis of income allocation

	Grants to groups/ organisations 2020 £	2019 £
Analysis		
Distribution to Mountsorrel Church of England Fund	129,366	130,885
Distribution to Mountsorrel Educational Fund	129,367	130,885
Distribution to Mountsorrel Relief in Need Charity	129,751	131,437
Brewin Dolphin drawdown - Mountsorrel Church of England Fund	100,000	-
Brewin Dolphin drawdown - Mountsorrel Educational Fund	100,000	-
Brewin Dolphin drawdown - Mountsorrel Relief in Need Charity	100,000	-
	<u>688,484</u>	<u>393,207</u>

Mountsorrel United Charities

Notes to the Financial Statements for the Year Ended 31 December 2020

6 Net incoming/outgoing resources

Net outgoing resources for the year include:

	2020 £	2019 £
Audit fees	900	-
Loss/(profit) on disposal of investments	89,861	(88,168)
Depreciation of fixed assets	294	294

7 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.

8 Independent examiner's remuneration

	2019 £ (As restated)
Examination of the financial statements	804
Other fees to examiners	
All other services	1,482

9 Auditors' remuneration

	2020 £
Audit of the financial statements	900
Other fees to auditors	
All other non-audit services	1,400

10 Taxation

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

Mountsorrel United Charities

Notes to the Financial Statements for the Year Ended 31 December 2020

11 Tangible fixed assets

	Furniture and equipment £	Total £
Cost		
At 1 January 2020	1,823	1,823
Disposals	<u>(942)</u>	<u>(942)</u>
At 31 December 2020	<u>881</u>	<u>881</u>
Depreciation		
At 1 January 2020	1,236	1,236
Charge for the year	294	294
Eliminated on disposals	<u>(942)</u>	<u>(942)</u>
At 31 December 2020	<u>588</u>	<u>588</u>
Net book value		
At 31 December 2020	<u>293</u>	<u>293</u>
At 31 December 2019	<u>587</u>	<u>587</u>

12 Fixed asset investments

	2020 £	2019 £ (As restated)
Investment properties	1,150,000	1,150,000
Other investments	<u>13,390,275</u>	<u>13,508,495</u>
	<u>14,540,275</u>	<u>14,658,495</u>

Investment properties

	Investment properties £
Cost or Valuation	
At 1 January 2020	<u>1,150,000</u>
Provision	
At 31 December 2020	<u>-</u>
Net book value	
At 31 December 2020	<u>1,150,000</u>
At 31 December 2019	<u>1,150,000</u>

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

Mountsorrel United Charities

Notes to the Financial Statements for the Year Ended 31 December 2020

Other investments

	Listed investments £	Cash deposits £	Total £
Cost or Valuation			
At 1 January 2020	13,388,440	120,055	13,508,495
Revaluation	419,991	-	419,991
Additions	6,341,285	206,525	6,547,810
Disposals	<u>(7,086,021)</u>	<u>-</u>	<u>(7,086,021)</u>
At 31 December 2020	<u>13,063,695</u>	<u>326,580</u>	<u>13,390,275</u>
Net book value			
At 31 December 2020	<u>13,063,695</u>	<u>326,580</u>	<u>13,390,275</u>
At 31 December 2019	<u>13,388,440</u>	<u>120,055</u>	<u>13,508,495</u>

The historical cost of the investments as at 31 December 2020 was £11,145,707 (2019: £10,895,519).

13 Debtors

	2020 £	2019 £
Other debtors	<u>16,596</u>	<u>32,027</u>

14 Cash and cash equivalents

	2020 £	2019 £ (As restated)
Cash at bank	<u>384,198</u>	<u>226,948</u>

15 Creditors: amounts falling due within one year

	2020 £	2019 £ (As restated)
Other creditors	450,174	363,271
Accruals	<u>16,602</u>	<u>17,002</u>
	<u>466,776</u>	<u>380,273</u>
	2020	2019
	£	£
Deferred income at 1 January 2020	(1,664)	(1,664)
Resources deferred in the period	(1,664)	(1,664)
Amounts released from previous periods	<u>1,664</u>	<u>1,664</u>
Deferred income at year end	<u>(1,664)</u>	<u>(1,664)</u>

Deferred income relates to rental income in advance

Mountsorrel United Charities

Notes to the Financial Statements for the Year Ended 31 December 2020

16 Funds

	Balance at 1 January 2020 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 December 2020 £
Unrestricted					
General	1,769,802	355,150	(301,103)	-	1,823,849
Endowment					
Permanent	<u>12,767,982</u>	<u>-</u>	<u>(447,375)</u>	<u>330,130</u>	<u>12,650,737</u>
Total funds	<u><u>14,537,784</u></u>	<u><u>355,150</u></u>	<u><u>(748,478)</u></u>	<u><u>330,130</u></u>	<u><u>14,474,586</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.

17 Analysis of net assets between funds

	Unrestricted funds General £	Endowment funds Permanent £	Total funds at 31 December 2020 £
Tangible fixed assets	293	-	293
Fixed asset investments	1,889,538	12,650,737	14,540,275
Current assets	400,794	-	400,794
Current liabilities	<u>(466,776)</u>	<u>-</u>	<u>(466,776)</u>
Total net assets	<u><u>1,823,849</u></u>	<u><u>12,650,737</u></u>	<u><u>14,474,586</u></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 £129,366 (2019: £130,844) and other income of £100,000 (2019: £Nil). At the balance sheet date the amount due to Mountsorrel Church of England Fund was £124,534 (2019 - £126,377).

Mountsorrel United Charities

Notes to the Financial Statements for the Year Ended 31 December 2020

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 £129,367 (2019: £130,885) and other income of £100,000 (2019: £Nil). At the balance sheet date the amount due to Mountsorrel Educational Fund was £124,860 (2019 - £114,831).

Mountsorrel Relief in Need Charity and Charity of Hugh Phipps

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

During the year, Mountsorrel United Charities allocated Mountsorrel Relief in Need Charity investment income of £129,366 (2019: £130,884) and other income of £100,000 (2019: £Nil).

During the year, Mountsorrel United Charities allocated the Charity of Hugh Phipps investment income of £385 (2019: £553). At the balance sheet date the amount due to Mountsorrel Relief in Need Charity and Charity of Hugh Phipps was £200,780 (2019 - £122,063).