
CAMBRIDGE UNITED CHARITIES

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

CAMBRIDGE UNITED CHARITIES

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CAMBRIDGE UNITED CHARITIES

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2016

Trustees	Ms B Biamonti Mr C Bonney Mrs S Brignall Dr A Dansie Mr R Flack Mr P Holland (appointed 8 July 2016) Mr S Morris Prof M Pruetzel-Thomas Mr P Ray Mrs S Sang (resigned 12 July 2016) Ms S Simms Mrs P Slatter Mr S Watkins (resigned 12 February 2016)
Charity registered number	204640
Principal office	The Guildhall Cambridge CB2 3QJ
Clerk	Mr J Goddard
Treasurer	Ms L Thompson
Independent auditors	Lakin Rose Limited Chartered Accountants Statutory Auditors Pioneer House Vision Park Histon Cambridge CB24 9NL
Bankers	Barclays Bank plc 9-11 St Andrew's Street Cambridge CB2 3AA
Fund managers	BlackRock Investment Management (UK) Limited 12 Throgmorton Avenue London EC2N 2DL (up to June 2015) Brewin Dolphin Limited 12 Smithfield Street London EC1A 9BD (from June 2015)

CAMBRIDGE UNITED CHARITIES

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2016

The Trustees present their annual report together with the audited financial statements of Cambridge United Charities (the Charity) for the period 1 April 2015 to 31 March 2016.

1. OBJECTIVES AND ACTIVITIES

The Cambridge United Charities (CUC) seeks to continue the philanthropic work of the original benefactors for the benefit of the people of Cambridge and its surrounding area through the provision of almshouse accommodation, the relief of poverty and the education of the young.

The Charity does not actively fundraise. Its focus is on the careful stewardship of existing resources which belong to its two branches, the Almshouse Branch and the Relief in Need Branch, and on funding their philanthropic activities.

The Board confirms that the Trustees have taken the Charity Commission's public benefit guidance into account in their decision-making processes. The Board is satisfied that the activities of the Charity are in keeping with its stated purpose and objectives and that, in line with the wishes of the original donors, it provides tangible public benefit for some of the more disadvantaged residents of Cambridge. A close working relationship with existing agencies ensures that CUC benefits are easily accessible to possible beneficiaries. A more detailed account of how this is done is set out in part 3 of this report.

CAMBRIDGE UNITED CHARITIES

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2016

2. STRUCTURE, GOVERNANCE AND MANAGEMENT

The Charity's Governing Document has been a Charity Commission Scheme dated 24 July 1970 (with subsequent Charity Commission orders) to administer the following charities:

Administered by the Almshouse Branch

The Consolidated Almshouses Charity
The Charity of Stephen Mansfield
The Charity of Emily Wood

Administered by the Relief in Need Branch

The Charity of Edward Chapman	The Charity of Richard Chevyn
The Charity of John Crane	The Charity of Lambert Damps
The Charity of Thomas Ellys	The Charity of Thomas Johnson
The Charity of William Mott	The Charity of Sir Thomas White
The Charity of Thomas Hobson	The Charity of Roger Roe
The Hobson and Crane Exhibition Foundation	

On 9th December 2014 the Charity Commission made a supplementary scheme (ref. 879/1415) whereby a number of amendments were made to the 1970 Scheme, which allow CUC greater administrative flexibility in the allocation of funds to qualifying almspeople (as redefined) and under Relief in Need where the definition of persons entitled to benefit has also been redefined.

This is the result of several years of work with the Charity Commission to achieve a more up-to-date governing document which, amongst other issues, takes account of the fact that Cambridge City Council has withdrawn from its responsibility for the governance of the Charity, having identified a conflict of interests. Due to this circumstance changes were necessary regarding the appointment of Trustees to the Board. It also seemed appropriate to limit the period that a Trustee may serve on the Board.

The full Board currently consists of twelve Trustees who manage the Charity and are appointed to a four year term of office that can be renewed once (some of the present Trustees were still appointed under the old Scheme with terms of five years). Nine of the Trustees are so-called 'co-opted' Trustees who are citizens of Cambridge or surrounding areas. There are also four 'nominated' Trustees; two of them are appointed by the Cambridge Central Aid Society and two further Trustees are appointed by Cambridge University.

There are three ordinary Board meetings per year, with the provision for additional special meetings, should the need arise. The Board is chaired by the Chair, who is elected from the membership of the Board every year. The same is true for the Vice Chair, the Almshouse Trustee, and the Finance Trustee. The Finance Trustee works closely with the Charity's Treasurer to ensure sound financial management and ongoing probity. The Board is supported by a secretary and clerk who minutes the Board meetings and attends to the Charity's administrative needs and duties.

The Board has established two Sub-committees, both responsible to the Board, which meet between Board Meetings and prepare recommendations to the Board. They are:

1. The Resources Sub-committee, which is currently chaired by Steven Morris, the representative of Cambridge University.
2. The Almshouse Sub-committee, which is chaired by the Almshouse Trustee.

Both Sub-Committees have agreed terms of reference.

CAMBRIDGE UNITED CHARITIES

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2016

Regarding the Charity's almshouses, each set of almshouses has been assigned a Visiting Trustee who visits the almshouse residents during the year and reports back to the Trustees through the Almshouse Trustee. An important part of the role of the Visiting Trustee is to monitor the services provided by the managing agent and to advise their fellow Trustees when making decisions concerning the almshouses.

Trustees and Clerk changes 1st April 2015- 31st March 2016

- Monika Pruetzel-Thomas was re-appointed as Trustee on 17 July 2015 and re-elected Chair on 11 March 2016.
- Charles Bonney was re-elected Vice Chair on 11 March 2016.
- Roger Flack was re-appointed as Trustee on 17 July 2015 and re-elected Finance Trustee on 11 March 2016.
- Sue Simms was elected Almshouse Trustee on 11 March 2016.
- Due to poor health, Simon Watkins resigned on 12 February 2016 from his position as Trustee nominated by the Central Aid Society.

Trustees have been addressing the following issues:

- Changing the provider for the management of the Charity's almshouses from Kings Street Housing Society to Hundred Houses Society, which seem to offer a more responsive service and a better value fit.
- Instituting twice yearly meetings with the new current investment manager Brewin Dolphin to scrutinise the performance of the Charity's investments.
- Progressing with the help of professional advisors the possible re-development of one of the Charity's principal properties, Hobson House.
- Liaising with the Charity Commission regarding the possible change in the use of Hobson House.
- Holding a special Board Meeting on 26th November 2015 to inform Trustees about the developments in the negotiations with Cambridge City Council and to seek agreement on steps to be taken.
- Holding regular sub-committee meetings of the Almshouse Sub-committee and the Resources Sub-committee to deal with day-to-day business arising between Board Meetings.
- Agreeing a Website Policy and re-design the Charity's website.
- Advertising for new Trustees.

CAMBRIDGE UNITED CHARITIES

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2016

3. ACHIEVEMENTS AND PERFORMANCE

Almshouse Branch

The almshouses belonging to the Charity presently provide affordable homes for twenty-nine women according to the intentions of the original donors, i.e. women whose personal background and financial circumstances make them suitable. The objectives are to provide accommodation in Cambridge for beneficiaries who could otherwise not afford to live in the city in an increasingly difficult housing market. Under the amending scheme of December 2014 qualifying almspeople now no longer have to be women. When a vacancy arose in John Street early in 2016, the almshouse was advertised for the first time as available to either a male or female applicant.

A further objective is to keep the almshouses in a good state of repair. To this end the day-to-day management of the almshouses was carried out under contract by King Street Housing (KSH) until 31 March 2016. However, during 2014/15 KSH undertook a number of changes in their management structure and repair works providers. This led to concern among the Trustees regarding service levels. Trustees therefore decided to serve notice to KSH and to seek the services of a different management provider, namely the Hundred Houses Society (HHS), who has taken on the management of the Charity's almshouses from 1st April 2016. A contract to this effect was agreed and signed by both parties on 3rd December 2015. The transitional arrangements went ahead reasonable smoothly, all residents having been alerted to the changes in mid-December 2015. HHS then provided all residents with detailed information packages and helpful advice. The Trustees have a yearly management meeting with the management provider, and the service provider sends representatives to the Charity's Board meetings. Apart from help and advice through HHS, residents have also access, free of charge, to the advice and services of the local Independent Living Service.

The Trustees set a budget each year for the routine repair and decoration of the almshouses with a separate sum for improvements such as for new bathrooms and kitchens. HHS have started a condition survey of the almshouses and have suggested a speedy redecoration and repair programme to the outside of some of the almshouses. This will require additional financing from the Charity's Almshouse Branch reserve funds but not to an extent that would worry Trustees.

Almshouse vacancies are advertised on the Charity's website and through the local Choice Based Lettings scheme. Applicants who fulfil the criteria set by the Charity are invited to complete an application form and selection is determined with the advice of HHS by the Almshouse Trustee and the Visiting Trustee for the particular set of almshouses.

The Charity is a member of the Almshouse Association. The Trustees have continued to find it a valuable resource which provides information and advice about statutory requirements and good management practice for this distinctive type of supported housing. Trustees have also continued to participate in and benefit from Almshouse Association training and information services and from other training events organized by the City Council and a Law firm based in Cambridge. During this last year there were also several meetings with other Housing Charities in the area in order to pool information and explore possible scope for cooperation.

Trustees have been addressing the following issues:

- Ensuring that necessary repair works were carried out to the almshouses.
- Requesting a Condition Survey Report on all the almshouses.
- Agreeing a modest rise in the Weekly Maintenance Contribution (WMC) that almshouse residents pay.
- Devising and operating a new grant procedure for residents in need.
- Preparing an Evacuation Plan for all almshouses.
- Attending Almshouse Sub-committee meetings in between full Board Meetings to deal with any problems arising in the almshouses.

CAMBRIDGE UNITED CHARITIES

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2016

Relief in Need Branch

This branch is divided into two strands:

a. Relief in Need

The Governing Document (as amended) provides for net income to be used “in relieving either generally or individually persons in conditions of need, hardship or distress living within the City of Cambridge and its surrounding area, or persons in conditions of need, hardship or distress who can otherwise establish a personal connection with the said area, by making grants of money or providing or paying for items, services or facilities calculated to reduce the need, hardship or distress of such persons.”

Income continues to be transferred to the Cambridge Central Aid Society, a long established and highly regarded local charity, which helps people in financial need to buy basic household goods, food and clothing. Their work is characterised by prompt and compassionate decision-making, working through local social care professionals and agencies. A grant of £5,500 was allocated by the Trustees for the year 2015-2016.

b. Hobson & Crane Educational Grants

Trustees have decided that the procedure of advertising, processing and assessing applicants for relatively small educational grants is not cost effective, and compares unfavourably with the administration of other Relief in Need funds. Some years back a working party sought and found three appropriate partner agencies and advised the Trustees that they were well equipped to allocate funds locally in the spirit of the Charity's original donors.

During the Financial Year 2015-2016 the following sums were allocated:

- £ 1,000 to the Cambridge and South Cambridgeshire Children's Team
- £ 1,500 to the Red Hen Project
- £ 1,500 to the Romsey Mill Trust

The Charity receives detailed Annual Reports from these organisations, which clearly state that the Charity's contribution to their work has been to great public benefit. The Trustees are confident that, within the means available to them, they have succeeded in furthering the philanthropic intentions of the original donors of the Charity in an accessible way.

CAMBRIDGE UNITED CHARITIES

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2016

4. FINANCIAL REVIEW

Trustees have been addressing the following issues:

- Continuing to monitor capital, income and cash-flow in the current economic climate.
- Reviewing the Charity's investment portfolio regularly with the new provider.
- Through the Finance Trustee chasing delayed rent payments with regard to the Radegund Pub.
- Negotiating higher financial returns for a number of other properties.
- Completion of agreement with Cambridge City Council regarding Hobson House in respect of the property's re-development and likely change of use and the division of financial consideration and the vacation of the property by Cambridge City Council.
- Consulting the Charity Commission regarding their approval of the eventual disposal of Hobson House.
- Engaging a Planning Consultancy to develop a marketing pack for Hobson House.

RESERVES POLICY

At the end of the 2015/16 financial year (to 31 March 2016, net current assets totalled £198,959 (Almshouse branch: £198,459, Relief In Need branch: £500).

The net surplus (as per the Statement of Financial Activities) for the 2015/16 financial year was £59,565 (Almshouse branch: £70,831, Relief In Need branch: (£11,266)).

An additional restricted fund has been established for the extraordinary repair, improvement or rebuilding of the Almshouses and other properties belonging to the Almshouse branch of the charity. The Extraordinary Repair Investment Fund value as at 31 March 2016 stood at £83,928.

In the current economic climate it is thought advisable to make provision over the next few years for the possibility of lower levels of investment and rental income than has been received in the past by the Almshouse branch and that £25,000 would be adequate for this purpose.

A provision of £60,000 is also necessary for professional and other costs associated with the Hobson House property.

The income generated from the Almshouse branch of the charity (from investments, residents' contributions and other income) is mainly used to finance repair work (both routine and programmed) to the various almshouses. The Hundred Houses Society will carry out a new housing condition assessment during the 2016/17 financial year. The information contained within the new housing condition assessment will enable the charity to revise its repair plans over the next 20 years. It is envisaged that following the completion of the housing condition assessment, additional programmed repairs will be carried out during the 2016/17 financial year.

At the start of each financial year, the repairs expenditure budgets are set taking into account predicted levels of income from investments and repair plans for the forthcoming year.

During the 2014/15 financial year, the Charity received a legacy of £10,000 from a former Trustee. The income from the legacy has been allocated to the Almshouse branch and will be used to finance the cost of carpets and furniture for residents that are in need of support.

CAMBRIDGE UNITED CHARITIES

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2016

For reference purposes, Cambridge United Charities' fund values at the end of the 2015/16 financial year were as follows:

Almshouse branch:	
Permanent Endowment	£650,112
Restricted Reserve	£278,262
	<hr/>
	£928,374
Relief In Need branch:	
Permanent Endowment	£161,154
Restricted Reserve	£500
	<hr/>
	£161,654

Statement of Trustees' Responsibilities

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

The law applicable to charities in England & Wales 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 judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the Charity's transactions and 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 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.

This report was approved by the Trustees on 11 November 2016 and signed on their behalf by:

Prof M Pruetzel-Thomas
Chair of Trustees

CAMBRIDGE UNITED CHARITIES

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF CAMBRIDGE UNITED CHARITIES

We have audited the financial statements of Cambridge United Charities for the year ended 31 March 2016 set out on pages 11 to 22. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the charity's trustees, as a body, in accordance with section 145 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 charity's trustees those matters we are required to state to them 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 opinion we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' responsibilities statement, the trustees are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditors under section 145 of the Charities Act 2011 and report to you in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2016 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 applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

CAMBRIDGE UNITED CHARITIES

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF CAMBRIDGE UNITED CHARITIES

Matters on which we are required to report by exception

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:

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

Lakin Rose Limited

Chartered Accountants
Statutory Auditors

Pioneer House
Vision Park
Histon
Cambridge
CB24 9NL
18 November 2016

CAMBRIDGE UNITED CHARITIES

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2016**

	Note	Permanent Endowment Funds 2016 £	Almshouse Restricted Funds 2016 £	Relief In Need Restricted Funds 2016 £	Total Funds 2016 £	Total Funds 2015 £
INCOME AND ENDOWMENTS FROM:						
Incoming resources:						
Almhouses - weekly maintenance contributions	2	-	113,117	-	113,117	106,666
Rent	2	-	17,643	6,300	23,943	16,925
Other income	2	-	95	818	913	903
Legacies	2	-	-	-	-	10,000
Investments	3	-	10,091	4,013	14,104	16,928
TOTAL INCOME AND ENDOWMENTS		-	140,946	11,131	152,077	151,422
EXPENDITURE ON:						
Charitable activities	8	6,023	67,926	22,397	96,346	106,996
TOTAL EXPENDITURE	4	6,023	67,926	22,397	96,346	106,996
NET INCOME / (EXPENDITURE) BEFORE OTHER GAINS AND LOSSES						
Gains/(losses) on investment assets		(6,023)	73,020	(11,266)	55,731	44,426
		(22,579)	360	-	(22,219)	30,620
NET MOVEMENT IN FUNDS		(28,602)	73,380	(11,266)	33,512	75,046
RECONCILIATION OF FUNDS:						
Total funds brought forward		839,868	204,882	11,766	1,056,516	981,470
TOTAL FUNDS CARRIED FORWARD		811,266	278,262	500	1,090,028	1,056,516

The notes on pages 14 to 22 form part of these financial statements.

CAMBRIDGE UNITED CHARITIES

**BALANCE SHEET
FOR THE YEAR ENDED 31 MARCH 2016**

	Note	2016 £	2015 £
FIXED ASSETS			
Tangible assets	10	367,031	373,054
Investments	11	528,163	548,193
		<u>895,194</u>	<u>921,247</u>
CURRENT ASSETS			
Debtors	12	37,987	35,250
Cash at bank and in hand		177,134	130,718
		<u>215,121</u>	<u>165,968</u>
CREDITORS: amounts falling due within one year	13	(16,162)	(26,574)
NET CURRENT ASSETS		198,959	139,394
CREDITORS: amounts falling due after more than one year		(4,125)	(4,125)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>£ 1,090,028</u>	<u>£ 1,056,516</u>

CAMBRIDGE UNITED CHARITIES

**BALANCE SHEET (continued)
FOR THE YEAR ENDED 31 MARCH 2016**

		2016	2015
		£	£
FUNDS			
Restricted reserves			
Almshouse	15	194,334	123,503
Almshouse - extraordinary repair fund	15	83,928	81,379
Relief In Need		500	11,766
		<hr/>	<hr/>
		278,762	216,648
Permanent endowment reserves			
Almshouse	15	650,112	672,991
Relief In Need	15	161,154	166,877
		<hr/>	<hr/>
		811,266	839,868
TOTAL FUNDS		<hr/> £ 1,090,028 <hr/>	<hr/> £ 1,056,516 <hr/>

The financial statements have been prepared in accordance with the provisions applicable to small entities within the Charities Act 2011, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved by the Trustees on 11 November 2016 and signed on their behalf, by:

Prof M Pruetzel-Thomas

Mr C Bonney

Chair

Trustee

The notes on pages 14 to 22 form part of these financial statements.

CAMBRIDGE UNITED CHARITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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 for Smaller Entities published on 16 July 2014, the Financial Reporting Standard for Smaller Entities (effective January 2015) and the Charities Act 2011 and applicable regulations.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.2 Cash flow

The financial statements do not include a Cash flow statement because the charity, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective January 2015).

1.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

The charity has permanent endowment funds for both its principal activities: Almshouse accommodation for the elderly and donations to organisations working for relief of the poor. The Trustees have no power to convert this capital into income.

The income of each endowment fund is restricted to being used for the purpose of each separate activity and the value of these restricted funds represents the amount of unexpended income.

An additional restricted fund has also been established for the extraordinary repair, improvement or rebuilding of the Almshouses and other properties belonging to the Almshouse branch of the charity.

Investment income, gains and losses are allocated to the appropriate fund.

CAMBRIDGE UNITED CHARITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1. ACCOUNTING POLICIES (continued)

1.4 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donated services or facilities are recognised when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the charity of the item is probable and that economic benefit can be measured reliably.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

The Charity owns Hobson House, a property located in Regent Street, Cambridge, which was originally donated to the Charity and is currently occupied by Cambridge City Council. Under the terms of the original 1897 trust deed the City Council has a right to occupy the premises rent-free in return for keeping the property fully insured and in good condition. Following an agreement reached between the Charity and the City Council, and approved by the Charity Commission, the City Council has agreed to vacate Hobson House in the future to permit the property's re-development and a change of use. The proceeds from the sale to the developer will be shared between the Charity and the City Council. At this stage it's not possible to estimate the proceeds of sale. Further details are given in Note 17.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefit will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

CAMBRIDGE UNITED CHARITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1. ACCOUNTING POLICIES (continued)

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property - 1.11% straight line

No depreciation is provided on freehold land.

The Charity owns Hobson House, a property situated in Regent Street, Cambridge which was originally donated to the Charity. No value has ever been attributed to this property and accordingly it does not have a value within tangible fixed assets on the balance sheet.

1.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of financial activities.

1.8 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

1.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount repaid net of any trade discounts due.

1.10 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

CAMBRIDGE UNITED CHARITIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

2. INCOMING RESOURCES

	Permanent Endowment Funds 2016 £	Almshouse Restricted Funds 2016 £	Relief In Need Restricted Funds 2016 £	Total Funds 2016 £	Total Funds 2015 £
Almshouses - weekly maintenance contributions	-	113,117	-	113,117	106,666
Rent	-	17,643	6,300	23,943	16,925
Other income	-	95	818	913	903
	-	-	-	-	10,000
Legacies	-	-	-	-	10,000
Total donations and legacies	£ -	£ 130,855	£ 7,118	£ 137,973	£ 134,494

In 2015, of the total income from donations and legacies, £ NIL was to unrestricted funds and £134,494 was to restricted funds

3. INVESTMENT INCOME

	Permanent Endowment Funds 2016 £	Almshouse Restricted Funds 2016 £	Relief In Need Restricted Funds 2016 £	Total Funds 2016 £	Total Funds 2015 £
Investment income - local listed investments	-	10,016	3,510	13,526	-
Income from unlisted investments	-	-	503	503	16,879
Interest income	-	75	-	75	49
	£ -	£ 10,091	£ 4,013	£ 14,104	£ 16,928

In 2015, of the total investment income, £ NIL was to unrestricted funds and £16,928 was to restricted funds.

CAMBRIDGE UNITED CHARITIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

4. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Depreciation 2016 £	Other costs 2016 £	Total 2016 £	<i>Total</i> 2015 £
Charitable activities	6,023	88,158	94,181	104,833
Expenditure on governance	-	2,165	2,165	2,163
	<u>£ 6,023</u>	<u>£ 90,323</u>	<u>£ 96,346</u>	<u>£ 106,996</u>

5. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Grant funding of activities 2016 £	Support costs 2016 £	Total 2016 £	<i>Total</i> 2015 £
Charitable activities	£ 9,500	£ 84,681	£ 94,181	£ 104,833

6. DIRECT COSTS

	Charitable activities £	Total 2016 £	<i>Total</i> 2015 £
Repairs and maintenance	17,795	17,795	33,928
Light and heat	12,714	12,714	14,706
Water and sewerage charges	5,625	5,625	5,668
Insurances	2,659	2,659	2,658
Independent Living Service	1,794	1,794	2,205
Management fee	21,893	21,893	21,401
Agency fee	833	833	860
Window cleaning	800	800	600
Miscellaneous expenses	1,327	1,327	1,018
Professional fees	12,881	12,881	5,842
Subscriptions	337	337	924
Depreciation	6,023	6,023	6,023
	<u>£ 84,681</u>	<u>£ 84,681</u>	<u>£ 95,833</u>

7. ANALYSIS OF GRANTS

	Grants to Institutions 2016 £	Total 2016 £	<i>Total</i> 2015 £
Grants to institutions	£ 9,500	£ 9,500	£ 9,000

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8. GOVERNANCE COSTS

	Permanent Endowment Funds 2016 £	Almshouse Restricted Funds 2016 £	Relief In Need Restricted Funds 2016 £	Total Funds 2016 £	Total Funds 2015 £
Audit remuneration	£ -	£ 1,754	£ 411	£ 2,165	£ 2,163
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

9. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets: - owned by the charity	6,023	6,023
Auditors' remuneration	2,165	2,163
	<u> </u>	<u> </u>

During the year, no trustees received any remuneration, benefits in kind or reimbursement of expenses (2015 - £NIL).

The Auditor's remuneration amounts to an Audit fee of £1,000 (2015 - £1,000), and accountancy of £1,165 (2015 - £1,163)

10. TANGIBLE FIXED ASSETS

	Freehold Property £
Cost	
At 1 April 2015 and 31 March 2016	<u>556,756</u>
Depreciation	
At 1 April 2015	183,702
Charge for the year	6,023
	<u> </u>
At 31 March 2016	<u>189,725</u>
Net book value	
At 31 March 2016	£ 367,031
	<u> </u>
At 31 March 2015	<u>£ 373,054</u>

CAMBRIDGE UNITED CHARITIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

11. FIXED ASSET INVESTMENTS

	Listed securities £
Market value	
At 1 April 2015	<u>548,193</u>
Revaluations	
Unrealised loss in year	<u>20,030</u>
Market value	
At 31 March 2016	<u>£ 528,163</u>
<i>At 31 March 2015</i>	<u>£ 548,193</u>
Historical cost	<u>£ 538,909</u>

Investments at market value comprise:

	2016 £	2015 £
Listed investments	528,163	-
Unlisted investments	-	548,193
Total market value	<u>£ 528,163</u>	<u>£ 548,193</u>

All the fixed asset investments are held in the UK

12. DEBTORS

	2016 £	2015 £
Trade debtors	<u>£ 37,987</u>	<u>£ 35,250</u>

13. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	5,601	20,832
Other creditors	10,561	5,742
	<u>£ 16,162</u>	<u>£ 26,574</u>

CAMBRIDGE UNITED CHARITIES

NOTES TO THE FINANCIAL STATEMENTS
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14. **CREDITORS:**
Amounts falling due after more than one year

		2016 £		2015 £
Other creditors	£	4,125	£	4,125
		<u>4,125</u>		<u>4,125</u>

15. **STATEMENT OF FUNDS**

	Brought Forward £	Income £	Expenditure £	Gains/ (Losses) £	Carried Forward £
Relief In Need Restricted Funds					
Relief In Need	11,766	11,131	(22,397)	-	500
	<u>11,766</u>	<u>11,131</u>	<u>(22,397)</u>	<u>-</u>	<u>500</u>
Permanent Endowment Funds					
Relief In Need	166,877	-	-	(5,723)	161,154
Almshouse	672,991	-	(6,023)	(16,856)	650,112
	<u>839,868</u>	<u>-</u>	<u>(6,023)</u>	<u>(22,579)</u>	<u>811,266</u>
Almshouse Restricted Funds					
Almshouse Restricted Funds	204,882	140,946	(67,926)	360	278,262
	<u>204,882</u>	<u>140,946</u>	<u>(67,926)</u>	<u>360</u>	<u>278,262</u>
Total of funds	£ 1,056,516	£ 152,077	£ (96,346)	£ (22,219)	£ 1,090,028
	<u>£ 1,056,516</u>	<u>£ 152,077</u>	<u>£ (96,346)</u>	<u>£ (22,219)</u>	<u>£ 1,090,028</u>

SUMMARY OF FUNDS

	Brought Forward £	Income £	Expenditure £	Gains/ (Losses) £	Carried Forward £
Relief In Need Restricted Funds	11,766	11,131	(22,397)	-	500
Permanent Endowment Funds	839,868	-	(6,023)	(22,579)	811,266
Almshouse Restricted Funds	204,882	140,946	(67,926)	360	278,262
	<u>£ 1,056,516</u>	<u>£ 152,077</u>	<u>£ (96,346)</u>	<u>£ (22,219)</u>	<u>£ 1,090,028</u>

CAMBRIDGE UNITED CHARITIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Permanent Endowment Funds 2016 £	Almshouse Restricted Funds 2016 £	Relief In Need Restricted Funds 2016 £	Total Funds 2016 £	<i>Total Funds 2015 £</i>
Tangible fixed assets	367,031	-	-	367,031	373,054
Fixed asset investments	444,235	83,928	-	528,163	548,193
Current assets	-	207,260	7,861	215,121	165,968
Creditors due within one year	-	(8,801)	(7,361)	(16,162)	(26,574)
Creditors due in more than one year	-	(4,125)	-	(4,125)	(4,125)
	<u>£ 811,266</u>	<u>£ 278,262</u>	<u>£ 500</u>	<u>£ 1,090,028</u>	<u>£ 1,056,516</u>

17. POST BALANCE SHEET EVENTS

As explained in the accounting policies the charity owns Hobson House, a property located in Cambridge. No value is attributed to it in the accounts given the City Council has been occupying the premises on a rent-free basis due to historical circumstances connected to the property. The trustees have since the financial year-end completed on a legally binding agreement with the City Council, which permits the redevelopment, under long leasehold, of Hobson House. The Charity Commission have given their consent to the agreement.

Under the agreement the City Council will vacate the property (currently being used for offices) and the charity will seek proposals from developers, which subject to obtaining the necessary planning permission, would permit re-development of Hobson House so it is used for a different purpose. Whilst the charity retains the freehold, the consideration from the developer for a long leasehold agreement will be shared between the City Council and the charity.

At this stage it is not possible to estimate the financial effect as no agreement with a developer is in place and the relevant planning consent has not yet been obtained.