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CAMBRIDGE UNITED CHARITIES

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

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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 2017**

Trustees	Ms B Biamonti Mr C Bonney Mrs S Brignall Dr A Dansie Mr R Flack (resigned 31 October 2016) 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 Mrs P Lynch (appointed 11 November 2016)
Charity registered number	204640
Principal office	119 King Street Cambridge CB1 1AH
Independent auditors	Lakin Rose Limited Chartered Accountants Statutory Auditors Pioneer House Vision Park Histon Cambridge CB24 9NL
Fund managers	Brewin Dolphin Limited 12 Smithfield Street London EC1A 9BD
Bankers	Barclays Bank plc 9-11 St Andrew's Street Cambridge CB2 3AA

CAMBRIDGE UNITED CHARITIES

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2017**

The Trustees present their annual report together with the audited financial statements of Cambridge United Charities (the Charity) for the period 1 April 2016 to 31 March 2017.

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.

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. Arising from this development changes were necessary regarding the appointment of Trustees. It also seemed appropriate to limit the period that a Trustee may serve.

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). Eight 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.

CAMBRIDGE UNITED CHARITIES

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2017**

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 annually elected from the membership of the Board. The same is true for the Vice Chair, the Almshouse Trustee, and the Finance Trustee/Treasurer. The Finance Trustee/Treasurer works closely with the Charity's appointed Accountant 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.

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 2016- 31st March 2017

- Paul Holland joined the Board of Trustees on 8th July 2016 as the second representative appointed by Cambridge University.
- Penny Lynch joined the Board on 11th November 2016 as a representative of Central Aid Society, replacing Simon Watkins who had resigned earlier that year.
- Roger Flack, the Finance Trustee, resigned in October 2016. Unfortunately, the Charity has not yet found a replacement for the role of Finance Trustee/Treasurer. The Chair and Vice Chair are currently sharing the duties of this post.
- Monika Pruetzel-Thomas was re-elected Chair on 10 March 2017.
- Charles Bonney was re-elected Vice Chair on 10 March 2017.
- Sue Simms was confirmed Almshouse Trustee on 10 March 2017.
- The services of Linda Thompson (Accountant and Treasurer) and James Goddard (Secretary and Clerk) ceased on 31 March 2017 as a result of Cambridge City Council terminating its involvement in the Charity.
- The Charity appointed PEM to take over as the Charity's accountant but the position of clerk has yet to be filled.

Trustees have been addressing the following issues:

- **Hundred Houses Society:** Setting up a good working relationship with the new management company for the Charity's almshouses, namely Hundred Houses Society. Due to the close involvement of the Almshouse Trustee, Sue Simms, the change-over to this new provider went very smoothly indeed.
- **Brewin Dolphin and Charity Investments:** Continuing twice yearly meetings with the current investment manager, Brewin Dolphin, to scrutinise the performance of the Charity's investments.
- **Hobson House:** On 2 July 2016, signing a settlement agreement with Cambridge City Council, which acknowledges that the Charity is the freeholder owner of Hobson House, one of the Charity's principal properties, and confirms that the City Council surrenders any claim which it might have had in relation to the property. The contract allows re-development of the property and states how the proceeds will be split. This contract represents the culmination of a decade of negotiations with the City Council, the latter of which has been using Hobson House for office accommodation. Since July 2016 the Charity has received a rental income from the Council for their use of the property.

CAMBRIDGE UNITED CHARITIES

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2017

- **Hobson House:** With the help of professional advisors, marketing the property, inviting bids from developers with the view of engaging in a 125 year lease agreement with the successful bidder. The Charity received a number of expressions of interest, which were screened by the Resources Sub-committee. Trustees then met with the three most promising bidders, who had submitted detailed documentation by then.
- **Hobson House:** Calling an Extraordinary Board Meeting for 6th April 2017 to inform the Board about the two most promising bids and recommend one bid as the preferred bid. The Board unanimously agreed to accept the recommendation of the Resources Sub-committee. Presently, Heads of Terms for an exchange of contracts are being prepared by the Charity's lawyers.
- **Sub-committee Meetings:** 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.
- **Change of Accounting and Clerking Services:** Appointing PEM (Peters, Elworthy & Moore, Salisbury House, Station Road, Cambridge, CB1 2LA) as the Charity's accountants to replace the Accountancy services provided by Cambridge City Council. This latter arrangement of many decades ceased on the 31st of March 2017. The position of secretary and clerk is currently open. The Charity is seeking to fill this post in the near future.
- **Website Update:** Installing a new platform for the Charity's website and refreshing and updating its content. This project has been led by Trustee and former Chairman Philippa Slatter.
- **Advertising** for new Trustees, particularly a Treasurer – so far with limited success.

3. ACHIEVEMENTS AND PERFORMANCE

Almshouse Branch

The almshouses belonging to the Charity up to recently provided 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. The vacancy was then filled by a male resident. After some initial minor disquiet, very few problems have arisen and the new situation seems to have been accepted by the other residents.

A further objective is to keep the almshouses in a good state of repair. From the 1st April 2016 the day-to-day management of the almshouses has been carried out by the Hundred Houses Society (HHS), a new provider vis-a-vis the years before. The change from one management company to another was well prepared and went very smoothly, facilitated greatly by the efforts and commitment of the Almshouse Trustee, Sue Simms. HHS provided all residents with detailed information packages and helpful advice. The Trustees have a yearly management meeting with the management provider, and the 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 there is an ongoing redecoration and repair programme to the outside of some of the almshouses. This requires 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. Selection is in the first instance facilitated by HHS and then suggested for approval to the Almshouse Trustee.

CAMBRIDGE UNITED CHARITIES

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2017**

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.
- 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.
- Acting as Visiting Trustees (four Trustees), keeping a close link between the Board and the residents of almshouses.

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 2016-2017. As the charity currently has comfortable reserves and the number of people in need seems to be going up, the Board decided to increase the grant in the year 2017-18. The exact sum will be decided by the Board in July 2017.

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 2016-2017 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 2017**

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. From October 2016 this task has been handed to Cheffins property services who now act on the Charity's behalf for this and a number of other properties.
- Signing a contract with Cambridge City Council regarding their moving out date of Hobson House and the rent they are paying in the meantime.
- 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.
- Annually updating the Charity's Risk Register and agreeing strategies to minimise identified risks.

a. Reserves Policy

At the end of the 2016/17 financial year (to 31 March 2017), net current assets totalled £297,532 (Almshouse branch: £251,052, Relief In Need branch: £46,480).

The surplus (as per the Statement of Financial Activities) for the 2016/17 financial year was £177,537 (Almshouse branch: £97,489, Relief In Need branch: £80,048).

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 2017 stood at £99,827.

CAMBRIDGE UNITED CHARITIES

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2017**

For reference purposes, Cambridge United Charities' fund values at the end of the 2016/17 financial year were as follows:

Almshouse branch:	
Permanent Endowment	£679,109
Restricted Reserve	£346,754
	£1,025,863
Relief In Need branch:	
Permanent Endowment	£195,222
Restricted Reserve	£46,480
	£241,702

The board felt this was needed to allow for some planned very expensive but necessary repairs of the almshouses. Regarding Relief in Need, because of the ongoing negotiations regarding the disposal of Hobson House with mounting professional fees, it seemed prudent to keep a rather larger sum than otherwise deemed necessary in reserves.

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 _____ 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 2017 set out on pages 10 to 24. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statements of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

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 2017 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 Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and in other respects 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
Date:

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CAMBRIDGE UNITED CHARITIES

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2017

	Note	Permanent Endowment Funds 2017 £	Almshouse Restricted Funds 2017 £	Relief In Need Restricted Funds 2017 £	Total Funds 2017 £	Total Funds 2016 £
INCOME AND ENDOWMENTS FROM:						
Almshouses - weekly maintenance contributions	2	-	119,818	-	119,818	113,117
Rent	2	-	17,357	62,550	79,907	23,943
Other income	2	-	96	825	921	913
Investments	3	-	10,563	4,524	15,087	14,104
TOTAL INCOME AND ENDOWMENTS		-	147,834	67,899	215,733	152,077
EXPENDITURE ON:						
Charitable activities	8	6,017	95,241	21,919	123,177	96,346
TOTAL EXPENDITURE	4	6,017	95,241	21,919	123,177	96,346
NET INCOME / (EXPENDITURE) BEFORE INVESTMENT GAINS/(LOSSES)						
		(6,017)	52,593	45,980	92,556	55,731
Net gains/(losses) on investments	11	69,082	15,899	-	84,981	(22,219)
NET MOVEMENT IN FUNDS		63,065	68,492	45,980	177,537	33,512
RECONCILIATION OF FUNDS:						
Total funds brought forward		811,266	278,262	500	1,090,028	1,056,516
TOTAL FUNDS CARRIED FORWARD		874,331	346,754	46,480	1,267,565	1,090,028

The notes on pages 13 to 24 form part of these financial statements.

CAMBRIDGE UNITED CHARITIES

BALANCE SHEET
FOR THE YEAR ENDED 31 MARCH 2017

	Note	2017 £	2016 £
FIXED ASSETS			
Tangible assets	10	361,014	367,031
Investments	11	613,144	528,163
		<u>974,158</u>	<u>895,194</u>
CURRENT ASSETS			
Debtors	12	37,453	37,987
Cash at bank and in hand		277,345	177,134
		<u>314,798</u>	<u>215,121</u>
CREDITORS: amounts falling due within one year	13	(17,266)	(16,162)
NET CURRENT ASSETS		<u>297,532</u>	<u>198,959</u>
CREDITORS: amounts falling due after more than one year		(4,125)	(4,125)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>£ 1,267,565</u>	<u>£ 1,090,028</u>

CAMBRIDGE UNITED CHARITIES

BALANCE SHEET (continued)
FOR THE YEAR ENDED 31 MARCH 2017

		2017 £	2016 £
FUNDS			
Restricted reserves			
Almshouse	15	245,927	194,334
Almshouse - extraordinary repair fund	15	99,827	83,928
Relief In Need		46,480	500
		<u>392,234</u>	<u>278,762</u>
Permanent endowment reserves			
Almshouse	15	679,109	650,112
Relief In Need	15	195,222	161,154
		<u>874,331</u>	<u>811,266</u>
TOTAL FUNDS		<u><u>£ 1,266,565</u></u>	<u><u>£ 1,090,028</u></u>

The financial statements were approved by the Trustees on
by:

and signed on their behalf,

Prof M Pruetzel-Thomas

Mr C Bonney

Chair

Trustee

The notes on pages 13 to 24 form part of these financial statements.

CAMBRIDGE UNITED CHARITIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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 Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and Charities Act 2011.

Cambridge United Charities constitutes a public benefit entity as defined by FRS 102.

First time adoption of FRS 102

These financial statements are the first financial statements of Cambridge United Charities prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Cambridge United Charities for the year ended 31 March 2016 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. However the policies applied under the charity's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure.

1.2 Cash flow

The charity has taken advantage of the exemption in Charities SORP FRS 102 from the requirement to produce a cash flow statement on the grounds that it is a small charity.

CAMBRIDGE UNITED CHARITIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

1. ACCOUNTING POLICIES (continued)

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.

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.

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. In accordance with the Charities SORP (FRS 102), the general volunteer time is not recognised.

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.

CAMBRIDGE UNITED CHARITIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

1. ACCOUNTING POLICIES (continued)

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 benefits 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.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Charitable activities and Governance costs are costs incurred on the charity's educational operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

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.

1.6 Tangible fixed assets and depreciation

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities.

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.

CAMBRIDGE UNITED CHARITIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

1. ACCOUNTING POLICIES (continued)

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 prepaid 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 2017

2. INCOMING RESOURCES

	Permanent Endowment Funds 2017 £	Almshouse Restricted Funds 2017 £	Relief In Need Restricted Funds 2017 £	Total Funds 2017 £	Total Funds 2016 £
Almshouses - weekly maintenance contributions	-	119,818	-	119,818	113,117
Rent	-	17,357	62,550	79,907	23,943
Other income	-	96	825	921	913
	<u>£ -</u>	<u>£ 137,271</u>	<u>£ 63,375</u>	<u>£ 200,646</u>	<u>£ 137,973</u>
Total incoming resources	<u>£ -</u>	<u>£ 137,271</u>	<u>£ 63,375</u>	<u>£ 200,646</u>	<u>£ 137,973</u>

In 2016, of the total incoming resources, £NIL was to unrestricted funds and £137,973 was to restricted funds, (£130,855 to the Almshouse Fund and £7,118 to the Relief In Need Fund).

3. INVESTMENT INCOME

	Permanent Endowment Funds 2017 £	Almshouse Restricted Funds 2017 £	Relief In Need Restricted Funds 2017 £	Total Funds 2017 £	Total Funds 2016 £
Investment income - local listed investments	-	10,484	4,524	15,008	13,526
Income from unlisted investments	-	-	-	-	503
Interest income	-	79	-	79	75
	<u>£ -</u>	<u>£ 10,563</u>	<u>£ 4,524</u>	<u>£ 15,087</u>	<u>£ 14,104</u>
Total 2016	<u>£ -</u>	<u>£ 10,091</u>	<u>£ 4,013</u>	<u>£ 14,104</u>	

CAMBRIDGE UNITED CHARITIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

4. ANALYSIS OF EXPENDITURE BY EXPENDITURE TYPE

	Depreciation 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Charitable activities	6,017	112,488	118,505	94,181
Expenditure on governance	-	4,672	4,672	2,165
	<u>£ 6,017</u>	<u>£ 117,160</u>	<u>£ 123,177</u>	<u>£ 96,346</u>
<i>Total 2016</i>	<u>6,023</u>	<u>90,323</u>	<u>96,346</u>	

5. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Grant funding of activities 2017 £	Support costs 2017 £	Total 2017 £	Total 2016 £
Charitable activities	£ 9,000	£ 109,505	£ 118,505	£ 94,181
<i>Total 2016</i>	<u>9,500</u>	<u>84,681</u>	<u>94,181</u>	

6. DIRECT COSTS

	Charitable activities £	Total 2017 £	Total 2016 £
Repairs and maintenance	45,336	45,336	17,795
Light and heat	14,116	14,116	12,714
Water and sewerage charges	5,647	5,647	5,625
Insurances	3,389	3,389	2,659
Independent Living Service	947	947	1,794
Management fee	19,313	19,313	21,893
Agency fee	401	401	833
Window cleaning	1,200	1,200	800
Miscellaneous expenses	1,166	1,166	1,327
Professional fees	11,631	11,631	12,881
Subscriptions	342	342	337
Depreciation	6,017	6,017	6,023
	<u>£ 109,505</u>	<u>£ 109,505</u>	<u>£ 84,681</u>
<i>At 31 March 2016</i>	<u>£ 84,681</u>	<u>£ 84,681</u>	

CAMBRIDGE UNITED CHARITIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

7. ANALYSIS OF GRANTS

	Grants to Institutions 2017 £	Total 2017 £	Total 2016 £
Grants to institutions	£ 9,000	£ 9,000	£ 9,500

8. GOVERNANCE COSTS

	Permanent Endowment Funds 2017 £	Almshouse Restricted Funds 2017 £	Relief In Need Restricted Funds 2017 £	Total Funds 2017 £	Total Funds 2016 £
Audit remuneration and accountancy	£ -	£ -	£ 4,672	£ 4,672	£ 2,165

9. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets: - owned by the charity	6,017	6,023
Auditors' remuneration - audit	1,000	1,000

During the year, no trustees received any remuneration or benefits in kind (2016 - £NIL).

2 trustees received reimbursement of expenses amounting to £193 in the current year,(2016 - £NIL).

The Auditor's remuneration amounts to an Audit fee of £1,000 (2016 - £1,000), and accountancy of £1,452 (2016 - £1,165)

CAMBRIDGE UNITED CHARITIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

10. TANGIBLE FIXED ASSETS

	Freehold Property £
Cost	
At 1 April 2016 and 31 March 2017	556,756
Depreciation	
At 1 April 2016	189,725
Charge for the year	6,017
At 31 March 2017	195,742
Net book value	
At 31 March 2017	£ 361,014
At 31 March 2016	£ 367,031

11. FIXED ASSET INVESTMENTS

	Listed securities £	
Market value		
At 1 April 2016		528,163
Unrealised gain in year		84,981
At 31 March 2017		£ 613,144
Historical cost		£ 538,909
Investments at market value comprise:		
	2017	2016
	£	£
Listed investments	£ 613,144	£ 528,163

All the fixed asset investments are held in the UK

12. DEBTORS

	2017	2016
	£	£
Trade debtors	£ 37,453	£ 37,987

CAMBRIDGE UNITED CHARITIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

13. CREDITORS: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	10,417	5,601
Other creditors	6,849	10,561
	<u>£ 17,266</u>	<u>£ 16,162</u>

14. CREDITORS: Amounts falling due after more than one year

	2017 £	2016 £
Other creditors	£ 4,125	£ 4,125
	<u>4,125</u>	<u>4,125</u>

CAMBRIDGE UNITED CHARITIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

15. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Brought Forward £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2017 £
Relief In Need Restricted Funds					
Relief In Need	500	67,899	(21,919)	-	46,480
Permanent Endowment Funds					
Relief In Need	161,154	-	-	34,068	195,222
Almshouse	650,112	-	(6,017)	35,014	679,109
	811,266	-	(6,017)	69,082	874,331
Almshouse Restricted Funds					
Almshouse	278,262	147,834	(95,241)	15,899	346,754
Total of funds	£ 1,090,028	£ 215,733	£ (123,177)	£ 84,981	£ 1,267,565

STATEMENT OF FUNDS - PRIOR YEAR

	Brought Forward £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2016 £
Relief In Need Restricted Reserves					
Relief In Need	11,766	11,131	(22,397)	-	500
	11,766	11,131	(22,397)	-	500
Permanent Endowment Reserves					
Relief In Need	166,877	-	-	(5,723)	161,154
Almshouse	672,991	-	(6,023)	(16,856)	650,112
	839,868	-	(6,023)	(22,579)	811,266
Almshouse Restricted Funds					
Almshouse	204,882	140,946	(67,926)	360	278,262
	204,882	140,946	(67,926)	360	278,262
Total of funds	£ 1,056,516	£ 152,077	£ (96,346)	£ (22,219)	£ 1,090,028

CAMBRIDGE UNITED CHARITIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

SUMMARY OF FUNDS - CURRENT YEAR

	Brought Forward £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2017 £
Relief In Need Restricted Funds	500	67,899	(21,919)	-	46,480
Permanent Endowment Funds	811,266	-	(6,017)	-	805,249
Almshouse Restricted Funds	278,262	147,834	(95,241)	15,899	346,754
	<u>£ 1,090,028</u>	<u>£ 215,733</u>	<u>£ (123,177)</u>	<u>£ 15,899</u>	<u>£ 1,198,483</u>

SUMMARY OF FUNDS - PRIOR YEAR

	Balance at 1 April 2015 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2016 £
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>

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Permanent Endowment Funds 2017 £	Almshouse Restricted Funds 2017 £	Relief In Need Restricted Funds 2017 £	Total Funds 2017 £
Tangible fixed assets	361,014	-	-	361,014
Fixed asset investments	513,317	99,827	-	613,144
Current assets	-	262,256	52,542	314,798
Creditors due within one year	-	(11,204)	(6,062)	(17,266)
Creditors due in more than one year	-	(4,125)	-	(4,125)
	<u>£ 874,331</u>	<u>£ 346,754</u>	<u>£ 46,480</u>	<u>£ 1,267,565</u>

CAMBRIDGE UNITED CHARITIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

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

18. FIRST TIME ADOPTION OF FRS 102

It is the first year that the charity has presented its financial statements under SORP 2015 and FRS 102.

The policies applied under the charity's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure.