

REGISTERED CHARITY NUMBER: 528922

**REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED
5 APRIL 2017
FOR
THE MITCHELLS & BUTLER CHARITABLE TRUSTS**

Prime
Chartered Accountants
Corner Oak
1 Homer Road
Solihull
B91 3QG

THE MITCHELLS & BUTLER CHARITABLE TRUSTS

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2017**

	Page
Report of the Trustees	1 to 6
Independent Examiner's Report	7
Statement of Financial Activities	8
Balance Sheet	9
Notes to the Financial Statements	10 to 16

THE MITCHELLS & BUTLER CHARITABLE TRUSTS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 5 APRIL 2017

The trustees present their report with the financial statements of the charity for the year ended 5 April 2017. The trustees have adopted the provisions of 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 2015).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Welfare Fund

The objects of this Fund are primarily to assist pupils resident in Birmingham and Smethwick to attend school, universities and other places of higher education, and secondly to make grants for the relief of necessitous residents of Birmingham and Smethwick.

The Trustees further these objects by making grants to students who fall within the above criteria. Applicants are required to complete an application form, which includes assessment of financial circumstances in order to identify those in need of financial assistance. Should funds permit, applications are considered for hardship grants.

The Trustees further these objects by making grants to people who fall within the above criteria.

The Scholarship Fund

The objects of this Fund are for such exclusively charitable educational purposes related to the brewing industry as the Trustees in their discretion may think fit.

In a letter dated 11 October 2002, the Charity Commission confirmed that 'charitable educational purposes related to the brewing industry' should be applied as including charitable educational purposes related to catering and hotel management, as well as brewing itself.

The Trustees further the objects of the Charity by making grants to charities or educational institutions for courses or projects that fall within the ambit of the objects.

The Mitchell Fund

The objects of this Fund are the relief of need, hardship or distress of employees and former employees in the brewing and catering industries or the licensed retail industry and the dependants of such employees and former employees.

The charity does not employ staff and hence has no key management personnel.

Public benefit

The Trustees have considered the guidance issued by the Charity Commission on 'Charities and Public Benefit'.

The objects of the Welfare Fund, the Scholarship Fund and the Mitchell Fund clearly come within the descriptions of charitable purposes as set out in the Charities Act 2011 and there are identifiable benefits from the grants made. Grants are only made in accordance with the charitable objects of the fund in question.

As indicated above, in considering individual applications for educational grants in the case of the Welfare Fund, the means of applicants and their families are considered and the Trustees target assistance to applicants with low incomes.

Grantmaking

Grants are made from the Welfare Fund, the Scholarship Fund, and the Mitchell Fund.

THE MITCHELLS & BUTLER CHARITABLE TRUSTS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 5 APRIL 2017

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The Welfare Fund

The gross income of the fund for the year ended 5 April 2017 amounted £51,666 (2016: £36,913).

The total grant expenditure for the year amounted to £27,808 (2016: £31,452).

At 5 April 2017, the value of the net assets of the Welfare Fund totalled £1,649,643 (2016: £1,438,527).

Grants were made during the course of the financial year to (a) the King Edward School's Foundation to support pupils at the school and to (b) individuals in accordance with grant criteria.

The Scholarship Fund

The gross income of the fund for the year ended 5 April 2017 amounted £14,614 (2016: £10,468).

The total grant expenditure for the year amounted to £3,599 (2016: £2,375).

At 5 April 2017, the value of the net assets of the Scholarship Fund totalled £549,578 (2016: £492,864).

Grants were made during the course of the financial year to (a) the Institute of Brewing and Distilling and to (b) individuals in accordance with grant criteria.

The Mitchell Fund

The gross income of the fund for the year ended 5 April 2017 amounted £49,577 (2016: £35,416).

The total grant expenditure for the year amounted to £42,353 (2016: £7,925).

At 5 April 2017, the value of the net assets of the Mitchell Fund totalled £1,538,033 (2016: £1,377,581).

Grants were made during the course of the financial year to The Licensed Trade Charity to fund former employees of Mitchells & Butlers and also grants were made directly to former employees of Mitchells & Butlers.

THE MITCHELLS & BUTLER CHARITABLE TRUSTS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 5 APRIL 2017

FINANCIAL REVIEW

Investment policy and objectives

The Trustees make their grants from the income generated by investments held. The Trustees are advised on investment matters by the Trust's investment advisers, Barclays Wealth, who have been given authority to manage the portfolio on a discretionary basis.

The Trustees' investment philosophy is to adopt a medium/balanced risk investment strategy, investing in an appropriate mix of equities, fixed interest and monetary assets and alternative assets as deemed appropriate and consistent with the Trustees' attitude to risk and the Trustees' requirements for income and capital growth.

The Trustees have not applied any social, environmental or ethical considerations in their investment policies.

The investment objectives are:

- (i) The creation of a sufficient financial return to enable the Participating Charities to carry out their purposes effectively and without interruption.
- (ii) The maintenance and, if possible, enhancement of the investment funds whilst they are invested.

The Trustees recognise that the returns on equities, while expected to be greater over the longer-term than those of fixed interest and monetary assets, are likely to be more volatile. Investment in a mix of asset classes should nevertheless provide the levels of return required and mitigate volatility for the Trust to achieve its objectives.

The following restrictions are placed upon the investments of the Common Investment Fund:

- (i) Investments should be generally marketable.
- (ii) No investment in any company quoted on the London Stock Exchange or Investment in pooled vehicles (with the exception of Mitchells & Butlers plc Ordinary Shares) should exceed 10% of the value of total equity portfolio in the CIF.

The Trustees receive from the Charities' Investment Managers a written report and valuation for their consideration at their meetings. A representative of the Manager will meet Trustees at least once a year to review performance over the preceding period and to discuss and agree the future investment strategy.

At least once a year the Manager will provide a written comparison of the performance of the Investment Funds over the last twelve months.

Reserves policy

Total funds held in the name of Mitchells & Butlers Charitable Trusts at the balance sheet date are £3,737,254 (2016: £3,308,972). Of these, endowed funds are £3,335,213 (2016: £2,982,189) and free reserves are £402,041 (2016: £326,783), split as follows:

- Mitchell Fund	£216,398
- Welfare Fund	£74,504
- Scholarship Fund	£111,139

The Trust needs a sufficient level of free reserves to meet grants and expenses payable in the following year. This reserves policy is reviewed annually by the Trustees. In the case of the Mitchell Fund, as the objects have widened under the Charity Commission Scheme mentioned above, it is anticipated that more grants will be made in order to reduce the large reserves held.

THE MITCHELLS & BUTLER CHARITABLE TRUSTS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 5 APRIL 2017

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Welfare Fund

The governing document is a Trust Deed dated 26 February 1954.

The Scholarship Fund

The Scholarship Fund is governed by a Trust Deed dated 28 February 1939, Supplemental Deed dated 28 August 1959 and Deed of Transfer dated 23 January 1968.

The Mitchell Fund

This Fund is administered in accordance with a Charity Commission Scheme dated 22 June 2006. This scheme replaces the former trusts of the Charity.

Common Investment Fund

The Common Investment Fund is governed by a Charity Commission Scheme dated 7 April 2008.

Charity constitution

The Charity is made up of four distinct linked charities (the 'Charities') namely:

Sir William Waters Butler Welfare Fund (the 'Welfare Fund') (Registered Charity Number 528922-1)

The Henry Mitchell Memorial Scholarship Fund (the 'Scholarship Fund') (Registered Charity Number 528922-2)

The Sir John Edwin and Arthur Mitchell Fund (the 'Mitchell' Fund) (Registered Charity Number 528922-3)

Mitchells 8 Butlers Trusts Common investment Fund (the 'CIF') (Registered Charity Number 528922-4)

The Scheme dated 7 April 2008 made by the Charity Commission to establish the CIF contained a uniting direction, providing that all the charities administered by the Mitchells & Butlers Welfare Funds Limited and Mitchells & Butlers Trust Funds Ltd as at the date of the Scheme (including CIF) should be treated as a single charity for the purpose of Part II (accounting) and Part I (registration) of the Charities Act 1993 (now part 8 and part 4 of the Charities Act 2011).

Recruitment and appointment of new trustees

The Welfare Fund

The power of appointing new trustees rests with the directors of Mitchells & Butlers Plc.

The Scholarship Fund

The power of appointing new trustees rests with the trustees for the time being of the Charity.

The Mitchell Fund

The power of appointing new trustees rests with the trustees for the time being of the Charity.

Organisational structure

All matters of policy and decisions on the making of grants are determined by the Trustees who meet annually and at such other times as circumstances require.

Induction and training of new trustees

Each person who becomes a director of one of the two Trustee Companies is given a copy of the governing documents of the Charities and of the Charity Commission publication CC3 'The Essential Trustee'. The directors of the Trustee Companies take such action as they consider necessary to keep themselves informed of changes in charity law and governance.

THE MITCHELLS & BUTLER CHARITABLE TRUSTS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 5 APRIL 2017

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Trustees have assessed the major risks to which the Charities are exposed, in particular those related to the operations and finances of the Charities, and are satisfied that systems and procedures are in place to manage exposure to the major risks.

The Trustees are satisfied that adequate systems are in place to detect and minimise the main strategic, business and operational risks which the Charities may face.

The Trustees consider that the major risk to which the Charities are subject to is the volatility in the world's stock, bond and financial markets under the current economic conditions and the consequential uncertainty in terms of the return on the Charities' investments. The Trustees seek advice from the Charities' professional investment advisers, namely Barclays Wealth, in relation to managing the risk.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number
528922

Principal address
73-77 Euston Road
London
NW1 2QS

Trustees

The Board of Trustees who served the charity during the year and up to the date of this report were as follows:

Mitchells & Butlers Trust Funds Ltd (Corporate Trustee)

The Directors of Mitchells & Butlers Trust Funds Ltd during the period and up to the date of this report were as follows:

Mr Martin John Gosling
Mr Andrew John Jones
Mr Gregory McMahon (resigned 22 July 2016)
Mr Craig Gordon Provelt
Mrs Susan Katrina Martindale
Mr Darryl Shaun Thomson

Mitchells & Butlers Welfare Funds Limited

The Directors of Mitchells & Butlers Welfare Funds Limited during the period and up to the date of this report were as follows:

Mr Martin John Gosling
Mr Andrew John Jones
Mr Gregory McMahon (resigned 22 July 2016)
Mr Craig Gordon Provelt
Mrs Susan Katrina Martindale
Mr Darryl Shaun Thomson

THE MITCHELLS & BUTLER CHARITABLE TRUSTS

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 5 APRIL 2017**

REFERENCE AND ADMINISTRATIVE DETAILS

Independent examiner

Michael Jellicoe FCA
Prime
Chartered Accountants
Corner Oak
1 Homer Road
Solihull
B91 3QG

Investment Managers

Barclays Wealth
Barclays Bank plc.
One Colmore Square
Birmingham
B4 6ES

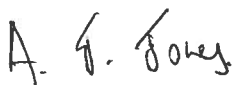
Bankers

Barclays Bank plc.
351/359 Soho Road
Birmingham
B21 9SE


WEBSITE

The Trustees have established a website which sets out the objectives of the three trusts and the individuals and institutions eligible under each. The website address is www.mbtrusts.org.uk

Approved by order of the board of trustees on 30/1/18. and signed on its behalf by:



.....
A Jones - Trustee



.....
M Gosling - Trustee

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
THE MITCHELLS & BUTLER CHARITABLE TRUSTS**

I report on the accounts for the year ended 5 April 2017 set out on pages eight to sixteen.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year (under Section 144(2) of the Charities Act 2011 (the 2011 Act)) and that an independent examination is required.

It is my responsibility to:

- examine the accounts under Section 145 of the 2011 Act
- to follow the procedures laid down in the General Directions given by the Charity Commission (under Section 145(5)(b) of the 2011 Act); and
- to state whether particular matters have come to my attention.

Basis of the independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statements below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that, in any material respect, the requirements
- to keep accounting records in accordance with Section 130 of the 2011 Act; and
 - to prepare accounts which accord with the accounting records and to comply with the accounting requirements of the 2011 Act

have not been met; or

- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

M. Jellicoe

Michael Jellicoe FCA
Prime
Chartered Accountants
Corner Oak
1 Homer Road
Solihull
B91 3QG

Date: *30 January 2018*

THE MITCHELLS & BUTLER CHARITABLE TRUSTS

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 5 APRIL 2017

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2017 Total funds £	2016 Total funds £
INCOME AND ENDOWMENTS FROM						
Investment income	2	-	115,857	-	115,857	82,797
Total		-	115,857	-	115,857	82,797
EXPENDITURE ON Charitable activities						
Grants payable	3	-	31,532	42,228	73,760	41,752
Support Costs	4	3,283	-	5,533	8,816	8,535
Total		3,283	31,532	47,761	82,576	50,287
Net gains/(losses) on investments		12,896	-	287,392	300,288	(1,716)
NET INCOME		9,613	84,325	239,631	333,569	30,794
Transfers between funds	10	61,591	(84,325)	22,734	-	-
Other recognised gains/(losses)						
Gains/(losses) on revaluation of fixed assets		4,054	-	90,659	94,713	(268,724)
Net movement in funds		75,258	-	353,024	428,282	(237,930)
RECONCILIATION OF FUNDS						
Total funds brought forward		326,783	-	2,982,189	3,308,972	3,546,902
TOTAL FUNDS CARRIED FORWARD		<u>402,041</u>	<u>-</u>	<u>3,335,213</u>	<u>3,737,254</u>	<u>3,308,972</u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

All gains and losses recognised in the year are included above.

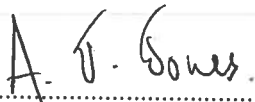
The notes form part of these financial statements


THE MITCHELLS & BUTLER CHARITABLE TRUSTS

BALANCE SHEET
AT 5 APRIL 2017

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2017 Total funds £	2016 Total funds £
FIXED ASSETS						
Investments	7	147,704	-	3,303,353	3,451,057	2,995,047
CURRENT ASSETS						
Investments	8	-	-	51,905	51,905	115,330
Cash at bank		<u>260,337</u>	<u>-</u>	<u>-</u>	<u>260,337</u>	<u>207,231</u>
		260,337	-	51,905	312,242	322,561
CREDITORS						
Amounts falling due within one year	9	(6,000)	-	(20,045)	(26,045)	(8,636)
NET CURRENT ASSETS		<u>254,337</u>	<u>-</u>	<u>31,860</u>	<u>286,197</u>	<u>313,925</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>402,041</u>	<u>-</u>	<u>3,335,213</u>	<u>3,737,254</u>	<u>3,308,972</u>
NET ASSETS		<u>402,041</u>	<u>-</u>	<u>3,335,213</u>	<u>3,733,254</u>	<u>3,308,972</u>
FUNDS						
Unrestricted funds	10				402,041	326,783
Restricted funds					-	-
Endowment funds					<u>3,335,213</u>	<u>2,982,189</u>
TOTAL FUNDS					<u>3,737,254</u>	<u>3,308,972</u>

The financial statements were approved by the Board of Trustees on 20/1/18 and were signed on its behalf by:


.....
A Jones -Trustee


.....
M Gosling -Trustee

The notes form part of these financial statements

THE MITCHELLS & BUTLER CHARITABLE TRUSTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2017

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

The Sir William Waters Butler Welfare Fund, Henry Mitchell Memorial Scholarship Fund and The Sir John Edwin and Arthur Mitchell Fund are three separate charities with similar objects and interlinked transactions. In accordance with the Charity Commission scheme dated 7 April 2008 the financial transactions of each charity are presented in one set of financial statements.

Where appropriate in the notes to the financial statements the following abbreviations have been adopted.

Sir William Waters Butler Welfare Fund - Welfare Fund
The Henry Mitchell Memorial Scholarship Fund - Scholarship Fund
The Sir John Edwin and Arthur Mitchell Fund - Mitchell Fund
Mitchells & Butlers Trusts Common Investment Fund - Common Investment Fund

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 prepared in sterling which is the functional currency of the charity.

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.

Financial reporting standard 102 - reduced disclosure exemptions

The charity has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 7 Statement of Cash Flows.

Income

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

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

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.

THE MITCHELLS & BUTLER CHARITABLE TRUSTS

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 5 APRIL 2017

1. ACCOUNTING POLICIES - continued

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

General funds

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

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by the charity for particular purposes. The cost 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.

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

Endowment fund

Endowment funds represent grants, donations and legacies received where income may be used for general purposes but the capital must be retained.

Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise.

Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year.

Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value.

Investments are stated at market value as at the balance sheet date. The statement of financial activities includes the net gains and losses arising on the revaluation and disposals throughout the year.

2. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	Endowment funds £	2017 Total funds £	2016 Total funds £
Interest received	-	318	-	318	462
Dividend income	-	115,539	-	115,539	82,335
	-	115,857	-	115,857	82,797

THE MITCHELLS & BUTLER CHARITABLE TRUSTS

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 5 APRIL 2017

3. GRANTS PAYABLE

	2017	2016
	£	£
Grants payable	<u>73,760</u>	<u>41,752</u>

Grants Payable - Institutions

	2017	2016
	Total	Total
	£	£
The Welfare Fund	11,000	10,000
The Scholarship Fund	1,000	375
The Mitchell Fund	<u>42,228</u>	<u>6,725</u>
	<u>54,228</u>	<u>17,100</u>

Grants Payable - Individuals

	2017	2017	2016	2016
	Total	Total	Total	Total
	Number	£	Number	£
The Welfare Fund	23	16,808	25	21,452
The Scholarship Fund	6	2,599	2	2,000
The Mitchell Fund	<u>1</u>	<u>125</u>	<u>2</u>	<u>1,200</u>
	<u>30</u>	<u>19,532</u>	<u>29</u>	<u>24,652</u>

4. SUPPORT COSTS

	Governance
	costs
	£
Support Costs	<u>8,816</u>

Support costs, included in the above, are as follows:

	2017	2016
	Support	Total
	Costs	activities
	£	£
Investment manager charges	5,533	5,355
Accountancy	3,208	3,121
Bank interest	<u>75</u>	<u>59</u>
	<u>8,816</u>	<u>8,535</u>

THE MITCHELLS & BUTLER CHARITABLE TRUSTS

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 5 APRIL 2017

5. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 5 April 2017 nor for the year ended 5 April 2016.

Trustees' expenses

There were no trustees' expenses paid for the year ended 5 April 2017 nor for the year ended 5 April 2016.

6. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds £
INCOME AND ENDOWMENTS FROM				
Investment income	-	82,797	-	82,797
Total	-	82,797	-	82,797
EXPENDITURE ON Charitable activities				
Grants payable	-	41,752	-	41,752
Support Costs	3,180	-	5,355	8,535
Total	3,180	41,752	5,355	50,287
Net gains/(losses) on investments	(73)	-	(1,643)	(1,716)
NET INCOME	(3,253)	41,045	(6,998)	30,794
Transfers between funds	40,489	(41,045)	556	-
Other recognised gains/(losses)				
Gains/(losses) on revaluation of fixed assets	(11,500)	-	(257,224)	(268,724)
Net movement in funds	25,736	-	(263,666)	(237,930)
RECONCILIATION OF FUNDS				
Total funds brought forward	301,047	-	3,245,855	3,546,902
TOTAL FUNDS CARRIED FORWARD	326,783	-	2,982,189	3,308,972

THE MITCHELLS & BUTLER CHARITABLE TRUSTS

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 5 APRIL 2017

7. FIXED ASSET INVESTMENTS

	Market Value		Cost	
	2017 £	2016 £	2017 £	2016 £
Listed investments	<u>3,451,057</u>	<u>2,995,047</u>	<u>2,685,634</u>	<u>2,324,174</u>

All fixed asset investments are held in the UK.

Material investments

The Mitchells & Butlers Charitable Trusts have a material investment in Mitchells & Butlers plc valued at £163,119 at the year end (2016: £178,629).

The fair value of listed investments is determined by reference to the quoted price for identical assets in an active market at the balance sheet date.

All investments are carried at their fair value. Investments in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds, unit trusts and open-ended investment companies are at the bid price. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

The main risk to the Charity from financial instruments lies in the combination of uncertain investment markets and volatility in yield. The Charity is reliant on dividend yield to finance its work. Liquidity risk is anticipated to be low as all assets are traded. The Charity's investments are mainly traded in markets with good liquidity and high trading volumes. The Charity has no material investment holdings in markets subject to exchange controls or trading restrictions.

The Charity manages these investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment classes that are quoted on recognised stock exchanges. The Charity does not make use of derivatives and similar complex financial instruments as it takes the view that investments are held for their longer term yield total return and historic studies of quoted financial instruments have shown that volatility in any particular 5-year period will normally be corrected.

8. CURRENT ASSET INVESTMENTS

	2017 £	2016 £
Other	<u>51,905</u>	<u>115,330</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade creditors	<u>26,045</u>	<u>8,636</u>

THE MITCHELLS & BUTLER CHARITABLE TRUSTS

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 5 APRIL 2017

10. MOVEMENT IN FUNDS

	At 6.4.16 £	Net movement in funds £	Transfers between funds £	At 5.4.17 £
Unrestricted funds				
Mitchell Fund	174,528	15,503	26,367	216,398
Welfare Fund	51,299	(1,432)	24,637	74,504
Scholarship Fund	100,956	(404)	10,587	111,139
	<u>326,783</u>	<u>13,668</u>	<u>61,591</u>	<u>402,041</u>
Restricted funds				
Mitchell Fund	-	46,978	(46,978)	-
Welfare Fund	-	23,858	(23,858)	-
Scholarship Fund	-	13,489	(13,489)	-
	-	<u>84,325</u>	<u>(84,325)</u>	-
Endowment funds				
Mitchell Fund	1,203,053	110,320	8,262	1,321,635
Welfare Fund	1,387,228	176,627	11,284	1,575,139
Scholarship Fund	391,908	43,343	3,188	438,439
	<u>2,982,189</u>	<u>330,290</u>	<u>22,734</u>	<u>3,335,213</u>
TOTAL FUNDS	<u><u>3,308,972</u></u>	<u><u>428,282</u></u>	<u><u>-</u></u>	<u><u>3,737,254</u></u>

THE MITCHELLS & BUTLER CHARITABLE TRUSTS

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 5 APRIL 2017

10. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
Mitchell Fund	-	(1,447)	16,950	15,503
Welfare Fund	-	(1,432)	-	(1,432)
Scholarship Fund	-	(404)	-	(404)
	-	(3,283)	16,950	13,667
Restricted funds				
Mitchell Fund	49,577	(125)	-	49,452
Welfare Fund	51,666	(27,808)	-	23,858
Scholarship Fund	14,614	(3,599)	-	11,015
	115,857	(31,532)	-	84,325
Endowment funds				
Mitchell Fund	-	(42,228)	152,548	110,320
Welfare Fund	-	-	176,627	176,627
Scholarship Fund	-	(5,533)	48,876	43,343
	-	(47,761)	378,051	330,290
TOTAL FUNDS	<u>115,857</u>	<u>(82,576)</u>	<u>395,001</u>	<u>428,282</u>

11. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 5 April 2017.