

REGISTERED COMPANY NUMBER: 05400279 (England and Wales)  
REGISTERED CHARITY NUMBER: 1118840

**REPORT OF THE TRUSTEES AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021  
FOR  
BORLASE SMART JOHN WELLS TRUST LTD**

RRL LLP  
Peat House  
Newham Road  
Truro  
Cornwall  
TR1 2DP

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FOR THE YEAR ENDED 31 MARCH 2021**

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**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 MARCH 2021**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2021. 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 2019).

**OBJECTIVES AND ACTIVITIES**

**Objectives and aims**

The charitable objectives of the Trust are:

"To promote art in St Ives and the district of Penwith for the purpose of increasing public knowledge and appreciation of the said arts."

The Trust's Mission is:

To provide high quality, affordable studio space for artists working within the unique cultural context of Cornwall.

The Trust's Aims and Objectives are:

To support aspirational and innovative professional artists at all stages of their careers by:

- Providing high quality and affordable studio spaces, following clear cut selection criteria and supporting equality of access.
- Working with partners to offer a variety of support services and opportunities to artists.
- Providing a range of tenures that support emerging and established artists, and offer opportunities for visiting artists from outside Cornwall.

To support public understanding and appreciation of contemporary art and the heritage of our buildings and their settings by:

- Encouraging our tenants to participate in open studios.
- Offering a programme of talks, studio tours and exhibitions.
- Working with all our tenants, including the fishing community and St Ives School of Painting, and key partners including Tate St Ives, St Ives Archive, St Ives Museum and Newlyn Art Gallery and The Exchange.

To manage the Trust effectively and efficiently by:

- Ensuring financial prudence and sustainability.
- Conducting our affairs with integrity and transparency.
- Safeguarding and maintaining the buildings under our ownership.

The Trust owns and manages three artists' studios in Cornwall: Porthmeor Studios in St Ives, and Trewarveneth and Anchor Studios in Newlyn. These provide a total of 22 studio spaces for artists, two studios for the St Ives School of Painting to deliver a range of arts courses, and two studios have been retained by the Trust for its education and community programme.

**Public benefit**

We review our aims, objectives and activities at least once a year to assess what we have achieved in the previous 12 months. We refer to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular the trustees consider how planned activities will contribute to the aims and objectives they have set.

REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 MARCH 2021

**STRATEGIC REPORT**

**Achievement and performance**

This year has been overshadowed by COVID and the associated lockdowns. Government support for businesses has meant that both the Trust and its tenants have survived the most immediate financial impacts, although it has had varying effects on the Anchor renovations, the residency programme and the public programme.

The main achievement this year has been the completion of the Grade II\* Anchor Studio renovations on time and budget. This is a particularly remarkable outcome given the twin effect of the lockdown and Brexit, which caused a delayed start on site, impacted prices and supply chains, and with the constant threat of infection to the workforce. This has been a testimony to the close working relationship between the design team and building contractors, their forward planning, COVID controls and risk management strategy.

The contractor started on site at the end of May 2020, and the building was opened up to allow close inspection of the building fabric. Evidence from early photographs and the presence of previous roofing laths uncovered during the opening up indicated that the original roof had been wet laid scantle slate. However, the weight of the slates had over time resulted in damage and deflection of the roof timbers, and therefore most of the roof elevations had been later replaced with asbestos cement slates. Since this renovation would reinstate a wet laid slate roof, the structural engineer was required to assess the scope of repairs and strengthening necessary for the roof structure and walls.

The building works progressed well over the next few months. The structural repairs were completed and the roof was re-slatted, insulation added and the timber cladding replaced where required. The building services were all replaced, and the ground floor renovated to provide accommodation for the studio tenant. A major improvement for the studio has been the reinstatement of the skylight and large gable wall window which were evident in earlier photographs, but had been subsequently boarded over. Work on site was completed in early March 2021, allowing the first tenant to take occupation in April.

To recognise the renovation of this important building and to tell its story for the public, the Trust has commissioned a publication, edited by Elizabeth Knowles MBE, which will be published in 2021. 'The story of Anchor Studio' includes essays by distinguished specialists on Stanhope Forbes, John Wells, the history of Newlyn and the building renovations. A major show 'Discovering Anchor Studio: An Artists' Haven in Newlyn' will also celebrate this achievement, and will open at Penlee House Gallery & Museum in September 2021.

The Trust wishes to acknowledge the support of The National Lottery Heritage Fund, Cornwall Council, Arts Council England, Historic England, The Garfield Weston Foundation, The Pilgrim Trust, The Tanner Trust, The Sylvia Waddilove Foundation and the Cornwall Heritage Trust and several private donors who have helped to realise this important renovation project.

The Porthmeor Residency Programme which started in 2017 has been an outstanding success, hosting a wide range of exciting and talented artists who also helped to raise significantly the quality and reach of the public programme. It was supported by Arts Council England, The Porthmeor Fund, The Wilhelmina Barns-Graham Trust, The John S Cohen Foundation and anonymous donors, and it is pleasing to note that since Veronica Ryan was in residence in 2018, she has received the Freelands Award, a sculpture commission to honour the Windrush generation, and has just received an MBE for Services to Art.

Although the Residency Programme was suspended in March 2020, the temporary lifting of the lockdown restrictions during the summer allowed emerging artist Saelia Aparicio and established artist Sir Richard Long to take up their residency offers. However, the open studios and public talks which are usually an integral part of the programme were not able to take place. The Trust will be restarting the programme once the lockdown measures are permanently lifted, and will be fundraising to recruit a Residency Manager.

The Trust's public programme has been the main casualty of the lockdown restrictions. The St Ives September Festival and Open Studios, which usually attract large audiences for a series of talks, films, studio tours, events and workshops, was cancelled last year, as well as the monthly talks and the weekly volunteer-led invigilation of the Mark Dion installation.

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 MARCH 2021**

However, one positive aspect of the restrictions has been to try out new approaches, and putting some of the public programme on-line is helping to reach new audiences. One of the tenants in the short-let studios during the lock-down, Emma Fineman, organised a video conference with a selection of studio artists past and present to talk about their work and studio. The event featured Katy Hessel in conversation with Lubaina Himid, Sam Bassett, Simon Bayliss, Emma Fineman, Rosanne Robertson, and Kate Walters, and attracted a large audience. Sir Richard Long has also recorded a fascinating talk about his practice during his residency, which has been made available on-line, and which will be an invaluable legacy of his time at Porthmeor.

**Financial review**

**Investment policy and objectives**

The trustees regularly review the cash held by the charity and whilst maintaining access to funds for operational purposes, it places any surplus funds in an interest-bearing deposit account when appropriate.

**Reserves policy**

The trustees have identified an adequate level of reserves for the Trust, which will include sufficient working capital to maintain operations in the event of a sudden and unexpected loss of income, and to build a sinking fund to cover the future maintenance requirements of its buildings.

**Going concern**

The trustees consider that there are no material uncertainties about the ability to continue as a going concern. There are no material uncertainties affecting the current year's accounts.

**Financial review**

Overall income and expenditure for its core activities were close to budget, and the Trust made a modest surplus over the year. The Trust is continuing to rebuild its reserves, thereby placing it on a more sustainable and secure financial footing.

**Future plans**

The Porthmeor Residency Programme and its associated public programme was suspended in March 2020 due to the COVID epidemic. We will resume fundraising activities once all the lockdown restrictions are lifted, with the aim of recruiting a Residency Manager to manage the programme.

The yard at Trewarveneth Studio contains a range of outbuildings which are in a very poor state of repair. The Trust has had a preliminary meeting with the architect responsible for the Anchor Studio renovations, and will commission a costed feasibility study with the intention of bringing them back into use as workspace for artists.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing document**

The Borlase Smart-John Wells Trust was established as the Borlase Smart Memorial Fund in a Trust Deed dated 7th March 1949, as varied by Schemes of the 9th February 1972, 29th December 1995 and 15th December 2005, and amended by a scheme of 4th January 2008. It is registered as a charity with the Charity Commission.

The Trust is incorporated, and the governing document is the Memorandum and Articles incorporated 26 June 2006 as amended by Special Resolution 23 March 2007. The Borlase Smart John Wells Trust Limited (Company No. 05400279) was entered onto the central register of charities on 17th April 2007, and assets and liabilities transferred from the Trust to the limited company. Porthmeor Studios could not be transferred since it is a permanent endowment, so Trustees applied to the Charity Commission to make a scheme that appointed the limited company the sole trustee of the Trust, and then requested a uniting direction that links the Trust with the limited company. This was completed on 18th January 2008, and the Borlase Smart-John Wells Trust was removed from the register of charities.

**Recruitment and appointment of new trustees**

As set out in the Trust Deed, the Trust was founded with three managing trustees. Two of these managing trustees were the Art Director of the Arts Council of Great Britain, and the Director of the Tate Gallery. These were appointed trustees by virtue of their respective offices, and are referred to as ex officio trustees. The managing trustees were given authority in the Trust Deed to appoint further trustees.

When the limited company was set up, all existing Trustees became directors. When recruiting trustees, consideration is given to any specialist skills that the Board considers necessary.

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 MARCH 2021**

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Organisational structure**

The Trust is administered by a board of trustees, which currently has ten members. The board meets about four times a year, and there are committees covering different areas of the Trust's activities. A manager is appointed by the trustees to manage its day to day operations

**Induction and training of new trustees**

Trustees are encouraged to attend appropriate external training events where these will help them undertake their role.

**Related parties**

The Trust has a close relationship with Arts Council England and the Tate as defined in its governing document, and its trustees provide further links with Tate St Ives, Newlyn Art Gallery and The Exchange and Cornwall Council. The Trust maintains close links with the St Ives School of Painting, one of its tenants at Porthmeor Studios, and it works with several other organisations including Krowji, CAST, Falmouth University, Leach Pottery, Creative Skills, Cultivator, St Ives Archive, St Ives Museum and Falmouth Art Gallery.

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered Company number**

05400279 (England and Wales)

**Registered Charity number**

1118840

**Registered office**

Porthmeor Studios  
Back Road West  
St Ives  
Cornwall  
TR26 1NG

**Trustees**

P R Williams Trustee  
Ms J Val Baker Trustee  
Mrs S Daniel-McElroy Trustee  
J Green Trustee  
M Porter Trustee  
Ms M Weston Trustee  
D P Wilson Trustee  
Ms T E Smith Trustee  
R Towndrow Trustee

**Tate Observer**

Ms A Barlow

**Company Secretary**

D P Wilson

**Auditors**

RRL LLP  
Peat House  
Newham Road  
Truro  
Cornwall  
TR1 2DP

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 MARCH 2021**

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Bankers**

HSBC  
5 High Street  
St Ives  
Cornwall  
TR26 1RX

**Solicitors**

Borlase & Company  
45 Coinagehall Street  
Helston  
TR13 8EU

**Chief Executive / Manager**

Chris Hibbert

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees (who are also the directors of Borlase Smart John Wells Trust Ltd for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

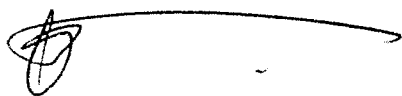
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 1 October 2021 and signed on the board's behalf by:



P R Williams - Trustee

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
BORLASE SMART JOHN WELLS TRUST LTD**

**Opinion**

We have audited the financial statements of Borlase Smart John Wells Trust Ltd (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

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

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.



**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
BORLASE SMART JOHN WELLS TRUST LTD**

**Matters on which we are required to report by exception**

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

**Responsibilities of trustees**

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

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

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BORLASE SMART JOHN WELLS TRUST LTD

### **Our responsibilities for the audit of the financial statements**

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

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

As part of our audit work, we obtained an understanding of the legal and regulatory frameworks applicable to the charity and the sector in which they operate. We determined that the laws and regulations surrounding the safeguarding of vulnerable groups were most significant to the charity as well as the laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011, the Companies Act 2006 and compliance with the Charities Statement of Recommended Practice.

The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Discussion with management as to how compliance with these laws and regulations is monitored;
- Enquiries of management concerning actual and potential litigation and claims;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reviewing minutes of trustee meetings and correspondence with regulators;
- Performing audit work in connection with the risk of management override of controls, including testing journal entries for reasonableness and evaluating the business rationale of significant transactions outside the normal course of business.

We also communicate relevant identified laws and regulations and potential fraud risk to all engagement team members and remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
BORLASE SMART JOHN WELLS TRUST LTD**

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

R R L L L P

Mark Williams (Senior Statutory Auditor)  
for and on behalf of RRL LLP  
Peat House  
Newham Road  
Truro  
Cornwall  
TR1 2DP

1 October 2021

**BORLASE SMART JOHN WELLS TRUST LTD**

**STATEMENT OF FINANCIAL ACTIVITIES  
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	2	54,674	405,888	460,562	93,713
<b>Charitable activities</b>	5				
Rental income		95,262	-	95,262	100,964
Other trading activities	3	853	-	853	4,271
Investment income	4	3,629	-	3,629	5,259
<b>Total</b>		<u>154,418</u>	<u>405,888</u>	<u>560,306</u>	<u>204,207</u>
<b>EXPENDITURE ON</b>					
Raising funds	6	811	10,816	11,627	23,495
<b>Charitable activities</b>	7				
Rental income		-	988	988	-
Charitable activities		86,955	2,987	89,942	130,857
<b>Total</b>		<u>87,766</u>	<u>14,791</u>	<u>102,557</u>	<u>154,352</u>
<b>NET INCOME</b>		<u>66,652</u>	<u>391,097</u>	<u>457,749</u>	<u>49,855</u>
Transfers between funds	18	(13,611)	13,611	-	-
<b>Net movement in funds</b>		<u>53,041</u>	<u>404,708</u>	<u>457,749</u>	<u>49,855</u>
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		202,562	4,049,783	4,252,345	4,202,490
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u><u>255,603</u></u>	<u><u>4,454,491</u></u>	<u><u>4,710,094</u></u>	<u><u>4,252,345</u></u>

The notes form part of these financial statements

**BORLASE SMART JOHN WELLS TRUST LTD**

**STATEMENT OF FINANCIAL POSITION  
31 MARCH 2021**

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	13	-	46,755	46,755	46,755
Heritage assets	14	-	4,153,316	4,153,316	3,731,720
		-	4,200,071	4,200,071	3,778,475
<b>CURRENT ASSETS</b>					
Stocks	15	10,411	-	10,411	10,770
Debtors	16	24,108	64,379	88,487	10,618
Cash at bank		222,834	213,403	436,237	467,878
		257,353	277,782	535,135	489,266
<b>CREDITORS</b>					
Amounts falling due within one year	17	(1,750)	(23,362)	(25,112)	(15,396)
<b>NET CURRENT ASSETS</b>		255,603	254,420	510,023	473,870
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		255,603	4,454,491	4,710,094	4,252,345
<b>NET ASSETS</b>		255,603	4,454,491	4,710,094	4,252,345
<b>FUNDS</b>	18				
Unrestricted funds				255,603	202,562
Restricted funds				4,454,491	4,049,783
<b>TOTAL FUNDS</b>				4,710,094	4,252,345

The financial statements were approved by the Board of Trustees and authorised for issue on 1 October 2021 and were signed on its behalf by:

P R Williams - Trustee

D P Wilson - Trustee

The notes form part of these financial statements

**BORLASE SMART JOHN WELLS TRUST LTD**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	386,326	41,041
Net cash provided by operating activities		<u>386,326</u>	<u>41,041</u>
<b>Cash flows from investing activities</b>			
Purchase of heritage assets		(421,596)	(22,744)
Interest received		3,629	5,259
Net cash used in investing activities		<u>(417,967)</u>	<u>(17,485)</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<u>(31,641)</u>	<u>23,556</u>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>467,878</u>	<u>444,322</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u><u>436,237</u></u>	<u><u>467,878</u></u>

The notes form part of these financial statements

**BORLASE SMART JOHN WELLS TRUST LTD**

**NOTES TO THE STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2021**

**1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2021 £	2020 £
<b>Net income for the reporting period (as per the Statement of Financial Activities)</b>	457,749	49,855
<b>Adjustments for:</b>		
Interest received	(3,629)	(5,259)
Decrease in stocks	359	359
(Increase)/decrease in debtors	(77,869)	10,177
Increase/(decrease) in creditors	9,716	(14,091)
<b>Net cash provided by operations</b>	<u>386,326</u>	<u>41,041</u>

**2. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1/4/20 £	Cash flow £	At 31/3/21 £
<b>Net cash</b>			
Cash at bank and in hand	467,878	(31,641)	436,237
	<u>467,878</u>	<u>(31,641)</u>	<u>436,237</u>
<b>Total</b>	<u>467,878</u>	<u>(31,641)</u>	<u>436,237</u>

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES

**Basis of preparing the financial statements**

The financial statements of the charitable company, 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 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**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.

**Tangible fixed assets**

Depreciation is provided to write off the cost less residual value of tangible fixed assets by equal annual instalments over their estimated useful lives as follows:

Plant and machinery	3 years
Computer equipment	3 years

The trustees have confirmed that the residual value of freehold buildings is at least equal to cost, and therefore no depreciation charge is required in the accounts.

Artwork is not depreciated.

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**Taxation**

The charity is exempt from corporation tax on its charitable activities.

**Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

**Pension costs and other post-retirement benefits**

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

**Constitution**

The company was incorporated as a company limited by guarantee and not having a share capital. In the event of the company being wound up, registered members are liable to contribute a sum not exceeding £10 per member towards the debts and liabilities of the company and the costs and expenses of winding up. At 31 March 2021 there were 9 members (2020: 11).



NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2021

## 1. ACCOUNTING POLICIES - continued

**Constitution**  
**Donations**

Voluntary income received by way of donations to the charity is included in the statement of financial activities when receivable.

**Investment income**

Investment income is recognised on a receivable basis.

**Grants receivable and expenditure**

Capital based grants are credited to restricted incoming resources when receivable. Depreciation on the fixed assets purchased with such grants is charged against the restricted fund.

These grants are repayable under certain circumstances.

## 2. DONATIONS AND LEGACIES

	2021	2020
	£	£
Donations	1,250	3,421
Grants	459,312	90,292
	<u>460,562</u>	<u>93,713</u>

Grants received, included in the above, are as follows:

	2021	2020
	£	£
Barns-Graham Charitable Trust	7,500	22,650
ACE Catalyst Grant	25,000	27,892
HLF Development Funding	319,900	-
Cornwall Council	-	20,000
A&S Bowness	1,500	-
Historic England	33,938	4,750
Sylvia Waddilove Foundation UK	-	5,000
Garfield Weston Trust	-	10,000
Cornwall Heritage Trust	1,800	-
Pilgrim Trust	10,000	-
Tanner Trust	6,000	-
Government CJRS claims	4,005	-
Council Covid Grants	49,669	-
	<u>459,312</u>	<u>90,292</u>

Government grants:

Cornwall Council - grants have been received totalling £49,669 (2020: £Nil). The local restrictions support grant has been issued to help businesses during the national lockdown and COVID-19 outbreak.

HMRC - grants have been received totalling £4,005 (2020: £Nil) to help with the furloughed staff whilst in a nationwide lockdown due to COVID-19.

**BORLASE SMART JOHN WELLS TRUST LTD**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2021**

**3. OTHER TRADING ACTIVITIES**

	2021	2020
	£	£
General fundraising	853	4,271
	<u>853</u>	<u>4,271</u>

**4. INVESTMENT INCOME**

	2021	2020
	£	£
Deposit account interest	3,629	5,259
	<u>3,629</u>	<u>5,259</u>

**5. INCOME FROM CHARITABLE ACTIVITIES**

	2021	2020
	£	£
Rental income	95,262	100,964
	<u>95,262</u>	<u>100,964</u>

**6. RAISING FUNDS**

**Raising donations and legacies**

	2021	2020
	£	£
Fundraising costs	811	2,032
Residency Programme expenses	10,816	21,463
	<u>11,627</u>	<u>23,495</u>

**7. CHARITABLE ACTIVITIES COSTS**

	Direct Costs £	Support costs (see note 8) £	Totals £
Rental income	988	-	988
Charitable activities	81,667	8,275	89,942
	<u>82,655</u>	<u>8,275</u>	<u>90,930</u>

**8. SUPPORT COSTS**

	Governance costs £
Charitable activities	8,275
	<u>8,275</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**9. NET INCOME/(EXPENDITURE)**

Net income/(expenditure) is stated after charging/(crediting):

	2021	2020
	£	£
Accountancy fees	2,350	2,580
Audit fees	4,250	-
Administrations costs	<u>1,675</u>	<u>3,703</u>

**10. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31 March 2021 nor for the year ended 31 March 2020.

**Trustees' expenses**

	2021	2020
	£	£
Trustees' expenses	<u>-</u>	<u>106</u>

The number of trustees that have claimed expenses in this year is nil. (2020:2)

**11. STAFF COSTS**

	2021	2020
	£	£
Wages and salaries	50,441	57,396
Social security costs	113	1,451
Other pension costs	90	389
	<u>50,644</u>	<u>59,236</u>

The average monthly number of employees during the year was as follows:

	2021	2020
Administration	<u>2</u>	<u>3</u>

No employees received emoluments in excess of £60,000.

**Redundancy costs**

Total redundancy costs incurred in the year ended 31 March 2021 was £1,567 (2020: £Nil)

**Key management personnel remuneration**

Total key management personnel remuneration costs were as follows:

	2021	2020
	£	£
Gross wages	35,779	30,410
Employers national insurance contributions	3,728	3,006
Pension costs	-	-
	<u>39,507</u>	<u>33,416</u>

**BORLASE SMART JOHN WELLS TRUST LTD**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2021**

**12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted funds £	Restricted funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	2,671	91,042	93,713
<b>Charitable activities</b>			
Rental income	100,964	-	100,964
Other trading activities	3,980	291	4,271
Investment income	5,259	-	5,259
<b>Total</b>	<b>112,874</b>	<b>91,333</b>	<b>204,207</b>
<b>EXPENDITURE ON</b>			
Raising funds	2,033	21,462	23,495
<b>Charitable activities</b>			
Charitable activities	107,715	23,142	130,857
<b>Total</b>	<b>109,748</b>	<b>44,604</b>	<b>154,352</b>
<b>NET INCOME</b>	<b>3,126</b>	<b>46,729</b>	<b>49,855</b>
<b>RECONCILIATION OF FUNDS</b>			
<b>Total funds brought forward</b>			
As previously reported	199,435	3,979,960	4,179,395
Prior year adjustment	-	23,095	23,095
<b>As restated</b>	<b>199,435</b>	<b>4,003,055</b>	<b>4,202,490</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b>202,561</b>	<b>4,049,784</b>	<b>4,252,345</b>

**13. TANGIBLE FIXED ASSETS**

	Plant and machinery £	Artwork £	Computer equipment £	Totals £
<b>COST</b>				
At 1 April 2020 and 31 March 2021	24,210	46,755	2,578	73,543
<b>DEPRECIATION</b>				
At 1 April 2020 and 31 March 2021	24,210	-	2,578	26,788
<b>NET BOOK VALUE</b>				
At 31 March 2021	-	46,755	-	46,755
At 31 March 2020	-	46,755	-	46,755

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2021

**14. HERITAGE ASSETS**

	Total £
<b>MARKET VALUE</b>	
At 1 April 2020	3,731,720
Additions	421,596
	<hr/>
At 31 March 2021	4,153,316
	<hr/>
<b>NET BOOK VALUE</b>	
At 31 March 2021	4,153,316
	<hr/>
At 31 March 2020	3,731,720
	<hr/>

Heritage Asset cost comprises £6,000 cost and £3,551,851 enhancement cost of Porthmeor Studios, £125,780 enhancement costs of Trewarveneth and £469,685 enhancement costs of Anchor studios. No cost is shown for the original value of Trewarveneth and Anchor studios, or 5 Bowling Green Terrace and Seal Cottage, Back Road West when first gifted to the Trust.

**Depreciation and impairment**

No depreciation has been provided for the Heritage Assets as their useful economic life is deemed to be indefinite.

The Heritage Assets are reviewed annually at the reporting date for impairment.

**Legal charges**

There are currently legal charges held over the following Heritage Assets:

- Porthmeor Studios has legal charges held over it by Arts Council England and the National Memorial Heritage Fund.
- Anchor Studios has a legal charge held over it by the National Memorial Heritage Fund.

**15. STOCKS**

	2021 £	2020 £
Stocks	10,411	10,770
	<hr/>	<hr/>

**16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2021 £	2020 £
VAT	16,315	576
Debtors and prepayments	72,172	10,042
	<hr/>	<hr/>
	88,487	10,618
	<hr/>	<hr/>

**BORLASE SMART JOHN WELLS TRUST LTD**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2021**

**17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2021	2020
	£	£
Creditors and accruals	25,112	15,396

**18. MOVEMENT IN FUNDS**

	At 1/4/20	Net movement in funds	Transfers between funds	At 31/3/21
	£	£	£	£
<b>Unrestricted funds</b>				
General fund	115,562	66,652	(27,611)	154,603
Building Maintenance Reserve Fund	87,000	-	14,000	101,000
	202,562	66,652	(13,611)	255,603
<b>Restricted funds</b>				
Porthmeor	3,776,539	-	-	3,776,539
Anchor	100,453	396,638	13,611	510,702
Trewarveneth	126,327	-	-	126,327
Artists' Residency Programme	46,464	(5,541)	-	40,923
	4,049,783	391,097	13,611	4,454,491
<b>TOTAL FUNDS</b>	4,252,345	457,749	-	4,710,094

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

	Incoming resources	Resources expended	Movement in funds
	£	£	£
<b>Unrestricted funds</b>			
General fund	154,418	(87,766)	66,652
<b>Restricted funds</b>			
Anchor	396,638	-	396,638
Artists' Residency Programme	9,250	(14,791)	(5,541)
	405,888	(14,791)	391,097
<b>TOTAL FUNDS</b>	560,306	(102,557)	457,749

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2021

## 18. MOVEMENT IN FUNDS - continued

## Comparatives for movement in funds

	At 1/4/19 £	Prior year adjustment £	Net movement in funds £	Transfers between funds £	At 31/3/20 £
<b>Unrestricted funds</b>					
General fund	127,635	-	3,127	(15,200)	115,562
Building Maintenance Reserve Fund	71,800	-	-	15,200	87,000
	<u>199,435</u>	<u>-</u>	<u>3,127</u>	<u>-</u>	<u>202,562</u>
<b>Restricted funds</b>					
Porthmeor	3,776,539	-	-	-	3,776,539
Anchor	13,900	23,095	63,458	-	100,453
Trewarveneth	126,327	-	-	-	126,327
Artists' Residency Programme	63,194	-	(16,730)	-	46,464
	<u>3,979,960</u>	<u>23,095</u>	<u>46,728</u>	<u>-</u>	<u>4,049,783</u>
<b>TOTAL FUNDS</b>	<u>4,179,395</u>	<u>23,095</u>	<u>49,855</u>	<u>-</u>	<u>4,252,345</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	112,874	(109,747)	3,127
<b>Restricted funds</b>			
Anchor	63,641	(183)	63,458
Artists' Residency Programme	27,692	(44,422)	(16,730)
	<u>91,333</u>	<u>(44,605)</u>	<u>46,728</u>
<b>TOTAL FUNDS</b>	<u>204,207</u>	<u>(154,352)</u>	<u>49,855</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2021

## 18. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1/4/19 £	Prior year adjustment £	Net movement in funds £	Transfers between funds £	At 31/3/21 £
<b>Unrestricted funds</b>					
General fund	127,635	-	69,779	(42,811)	154,603
Building Maintenance Reserve Fund	71,800	-	-	29,200	101,000
	199,435	-	69,779	(13,611)	255,603
<b>Restricted funds</b>					
Porthmeor	3,776,539	-	-	-	3,776,539
Anchor	13,900	23,095	460,096	13,611	510,702
Trewarveneth	126,327	-	-	-	126,327
Artists' Residency Programme	63,194	-	(22,271)	-	40,923
	3,979,960	23,095	437,825	13,611	4,454,491
<b>TOTAL FUNDS</b>	4,179,395	23,095	507,604	-	4,710,094

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	267,292	(197,513)	69,779
<b>Restricted funds</b>			
Anchor	460,279	(183)	460,096
Artists' Residency Programme	36,942	(59,213)	(22,271)
	497,221	(59,396)	437,825
<b>TOTAL FUNDS</b>	764,513	(256,909)	507,604

- The Porthmeor restricted fund relates to funds raised to renovate Porthmeor Studios.
- The Anchor restricted fund relates to funds raised to renovate Anchor Studios.
- The Trewarveneth restricted fund relates to funds raised to renovate Trewarveneth Studios.
- The Artists' Residency Programme restricted fund relates to a 3 year residency programme for emerging and established artists.
- The Building Maintenance Reserve unrestricted fund relates to funds reserved to cover maintenance costs and long term roof work over the next 10 years.



NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2021

**19. CONTINGENT LIABILITIES**

The charity has received grant funding in the current and prior years. These grants could become repayable under certain circumstances if the objectives of the funding are not met.

**20. RELATED PARTY DISCLOSURES**

There were no related party transactions for the year ended 31 March 2021.

**BORLASE SMART JOHN WELLS TRUST LTD**

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 MARCH 2021**

	2021 £	2020 £
<b>INCOME AND ENDOWMENTS</b>		
<b>Donations and legacies</b>		
Donations	1,250	3,421
Grants	459,312	90,292
	<hr/>	<hr/>
	460,562	93,713
<b>Other trading activities</b>		
General fundraising	853	4,271
<b>Investment income</b>		
Deposit account interest	3,629	5,259
<b>Charitable activities</b>		
Rental income	95,262	100,964
	<hr/>	<hr/>
<b>Total incoming resources</b>	560,306	204,207
 <b>EXPENDITURE</b>		
<b>Raising donations and legacies</b>		
Fundraising costs	811	2,032
Residency Programme expenses	10,816	21,463
	<hr/>	<hr/>
	11,627	23,495
<b>Charitable activities</b>		
Trustees' expenses	-	106
Wages	50,441	57,396
Social security	113	1,451
Pensions	90	389
Rates and water	(699)	1,463
Insurance	9,769	9,562
Light and heat	7,725	5,285
Telephone	1,221	1,327
Repairs and maintenance	12,264	43,068
Bank charges	212	254
Website costs	531	620
Rent	988	2,618
	<hr/>	<hr/>
	82,655	123,539
<b>Support costs</b>		
<b>Governance costs</b>		
Accountancy fees	6,600	2,580
Administrations costs	1,675	3,703
Legal fees	-	1,035
	<hr/>	<hr/>
	8,275	7,318

This page does not form part of the statutory financial statements

**BORLASE SMART JOHN WELLS TRUST LTD**

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 MARCH 2021**

	2021 £	2020 £
Total resources expended	102,557	154,352
Net income	457,749	49,855

This page does not form part of the statutory financial statements