

**The Broadway Cottages Trust CIO**  
**Unaudited Financial Statements**  
**31 March 2021**

**DAVID KELLAND FCA**

Chartered Accountants  
Independent Examiner  
Meadows & Co Limited  
Headlands House  
1 Kings Court  
Kettering, Northants  
NN15 6WJ

# **The Broadway Cottages Trust CIO**

## **Financial Statements**

**Period from 1 July 2020 to 31 March 2021**

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# **The Broadway Cottages Trust CIO**

## **Trustees' Annual Report**

### **Period from 1 July 2020 to 31 March 2021**

The trustees present their report and the unaudited financial statements of the Charity for the period ended 31 March 2021.

#### **Reference and administrative details**

<b>Registered charity name</b>	The Broadway Cottages Trust CIO	
<b>Charity registration number</b>	1187568	
<b>Principal office</b>	Wilson Browne Solicitors Grange Park Court Roman Way Grange Park Northampton NN4 5EA	
<b>The trustees</b>	Mr R M O Batty Mr W M Drake-Lee Mr M A P Jeans Ms N K Wilson Mr P J Wilson Mrs J E Marchand	(Appointment ended on 26 April 2021)
<b>Independent examiner</b>	David Kelland FCA Independent Examiner Meadows & Co Limited Headlands House 1 Kings Court Kettering, Northants NN15 6WJ	

#### **Structure, governance and management**

##### **Constitution**

The Broadway Cottages Trust CIO is registered with the Charity Commission number 1187568. The Trust was set up in 2020 with similar objectives and activities as Broadway Cottages Trust Charity Commission no 203763, and the assets and liabilities of Broadway Cottages Trust were transferred at the end of 30th June 2020 to the new Broadway Cottages Trust CIO.

Broadway Cottages Trust was created on 27th December 1943 by Alan Geoffrey Timpson and Mrs Ethel Beatrice Timpson.

##### **Organisational structure**

The Trustees let and otherwise manage the properties belonging to the Trust. After the payment of expenses, the net annual income of the Trust is to be applied in providing benefits to other charitable organisations.

## **The Broadway Cottages Trust CIO**

### **Trustees' Annual Report (continued)**

**Period from 1 July 2020 to 31 March 2021**

#### **Structure, governance and management (continued)**

##### **Trustees**

Management of the Trust is by the Board of Trustees. The membership of the Board during the period 1 June 2020 to 31st March 2021 is set out above. Trustees are invited to join the Board generally on the recommendation of existing Trustees.

##### **Training of trustees**

Although there is no formal training programme for the Trustees, all have relevant experience, together with many years' service in their position as Trustees.

##### **Risk management**

The Trustees review annually the major risks to which the charity is exposed, particularly those related to the operations and finances of the charity.

#### **Objectives and activities**

##### **Objectives and activities**

The objects of the Trust are to alleviate and mitigate the hardships of people of limited means residing or who have resided in or near Kettering Northamptonshire or elsewhere in the United Kingdom by the provision of housing at rents within their means, and the provision of financial assistance to all such persons and other charitable institutions having similar objects as the Trustees may at their absolute discretion think proper.

##### **Public benefit**

The Trustees of The Broadway Cottages Trust CIO understand the need to have regard to the Charity Commission's guidance on public benefit.

The Trustees recognise their responsibility to ensure that the benefits offered by the Charity are realised by promoting the Charity within the county.

As disclosed in the aims and objectives, the organisation believes in being fair, open and inclusive.

#### **Achievements and performance**

The Trust continues to act at almost full occupancy and endeavours to create a harmonious atmosphere for the residents and to maintain the properties to high standards. Rents were increased on 31 January 2021 by 2%, from the level set on 1st November 2017. From accumulated reserves the Trust made an exceptional level of donations during the period when the Covid-19 pandemic affected the fund raising activities of other charitable organisations with the same or similar objectives.

## **The Broadway Cottages Trust CIO**

### **Trustees' Annual Report (continued)**

**Period from 1 July 2020 to 31 March 2021**

#### **Financial review**

The funds of the Trust have been applied in maintaining the properties held by the Trust and making grants to organisations and individuals within the terms of the Trust.

After allowing for the assets transferred from The Broadway Cottages Trust, the net incoming deficit for the period was £111,077 before realised and unrealised gains / (losses). However, after realised and unrealised losses, the net movement in funds was a deficit of £48,682.

All the Trust's assets are held for the specific purposes of the Charity.

The Trustees consider the market value of the freehold land and buildings to exceed the balance sheet value, but do not consider the expense of obtaining a formal valuation to be justified as there is no intention to dispose of any of the properties in the foreseeable future. The buildings and contents are insured for £3,267,921.

The investments held by the Trust have been acquired in accordance with the powers of the Trustees.

Unrestricted funds at 31 March 2021 amounted to £1,094,566.

#### **Reserves policy**

The Trustees have reviewed the level of free reserves which are unrestricted funds not invested in fixed assets, held by the Charity. At the year end, free reserves far exceed the level of resources expended. At this level, the Trustees consider that in the short term, they have sufficient resources to be able to continue the current activities of the Charity in the event of a reduction in funding and to respond to any specific appeal by providing either interest free loans or substantial free loans or substantial grants.

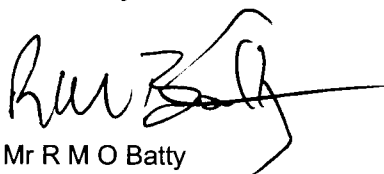
#### **Investment policy**

Brewin Dolphin has been authorised to manage the Trust's investments on a discretionary basis. The Trustees have continued to retain a large proportion of liquid funds to ensure that they are available to continue funding the existing requirements of the Trust.

#### **Events after the end of the reporting period**

At the Trustees' meeting held on 26th April 2021 it was resolved that Mr W Drake-Lee be no longer a Trustee.

The trustees' annual report was approved on 17 August 2021 and signed on behalf of the board of trustees by:



Mr R M O Batty  
Trustee

## **The Broadway Cottages Trust CIO**

### **Independent Examiner's Report to the Trustees of The Broadway Cottages Trust CIO**

**Period from 1 July 2020 to 31 March 2021**

I report to the trustees on my examination of the financial statements of The Broadway Cottages Trust CIO ('the Charity') for the period ended 31 March 2021.

#### **Responsibilities and basis of report**

As the trustees of the Charity, you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Charity's financial statements carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

#### **Independent examiner's statement**

Since the Charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales (ICAEW), which is one of the listed bodies.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Charity as required by section 130 of the Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



David Kelland FCA  
Independent Examiner

Independent Examiner  
Meadows & Co Limited  
Headlands House  
1 Kings Court  
Kettering, Northants  
NN15 6WJ

# The Broadway Cottages Trust CIO

## Statement of Financial Activities

Period from 1 July 2020 to 31 March 2021

		Period from 1 Jul 20 to 31 Mar 21	
	Note	Unrestricted funds £	Total funds £
<b>Income and endowments</b>			
Transferred from Broadway Cottages Trust	4	1,143,248	1,143,248
Charitable activities	5	34,234	34,234
Investment income	6	8,694	8,694
<b>Total income</b>		<u>1,186,176</u>	<u>1,186,176</u>
<b>Expenditure</b>			
Expenditure on raising funds:			
Investment management costs	7	9,878	9,878
Expenditure on charitable activities	8,9	116,875	116,875
<b>Total expenditure</b>		<u>126,753</u>	<u>126,753</u>
Net losses on investments	11	27,252	27,252
<b>Net income</b>		<u>1,032,171</u>	<u>1,032,171</u>
<b>Other recognised gains and losses</b>			
Gains / (losses) on revaluation of investments		62,395	62,395
<b>Net movement in funds</b>		1,094,566	1,094,566
<b>Reconciliation of funds</b>			
Total funds brought forward		—	—
<b>Total funds carried forward</b>		<u>1,094,566</u>	<u>1,094,566</u>

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

# The Broadway Cottages Trust CIO

## Statement of Financial Position

31 March 2021

	Note	£	31 Mar 21 £
<b>Fixed assets</b>			
Tangible fixed assets	15		448,679
Investments	16		591,853
			<u>1,040,532</u>
 <b>Current assets</b>			
Debtors	17	2,101	
Cash at bank and in hand		53,333	
		<u>55,434</u>	
 <b>Creditors: amounts falling due within one year</b>	18	1,400	
 <b>Net current assets</b>			<u>54,034</u>
<b>Total assets less current liabilities</b>			<u>1,094,566</u>
<b>Net assets</b>			<u>1,094,566</u>
 <b>Funds of the charity</b>			
Unrestricted funds			1,094,566
<b>Total charity funds</b>	20		<u>1,094,566</u>

These financial statements were approved by the board of trustees and authorised for issue on 17 Aug 21, and are signed on behalf of the board by:



Mr R M O Batty  
Trustee



# **The Broadway Cottages Trust CIO**

## **Notes to the Financial Statements**

### **Period from 1 July 2020 to 31 March 2021**

#### **1. General information**

The Charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is Wilson Browne Solicitors, Grange Park Court, Roman Way, Grange Park, Northampton, NN4 5EA.

#### **2. Statement of compliance**

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Accounting Practice.

#### **3. Accounting policies**

##### **Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

##### **Going concern**

There are no material uncertainties about the charity's ability to continue.

##### **Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### **Fund accounting**

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

# **The Broadway Cottages Trust CIO**

## **Notes to the Financial Statements (continued)**

### **Period from 1 July 2020 to 31 March 2021**

#### **3. Accounting policies (continued)**

##### **Incoming resources**

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

##### **Resources expended**

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

##### **Tangible assets**

All fixed assets are initially recorded at cost.

##### **Investments**

Unlisted equity investments are initially recorded at cost, and subsequently measured at fair value. If fair value cannot be reliably measured, assets are measured at cost less impairment.

Listed investments are measured at fair value with changes in fair value being recognised in income or expenditure.

## **The Broadway Cottages Trust CIO**

### **Notes to the Financial Statements (continued)**

#### **Period from 1 July 2020 to 31 March 2021**

### **3. Accounting policies (continued)**

#### **Investments in associates**

Investments in associates accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses.

Investments in associates accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value taken through income or expenditure. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted.

Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the associate arising before or after the date of acquisition.

#### **Investments in joint ventures**

Investments in jointly controlled entities accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses.

Investments in jointly controlled entities accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value taken through income or expenditure. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted.

Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the joint venture arising before or after the date of acquisition.

#### **Impairment of fixed assets**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Charity are assigned to those units.

#### **Defined contribution plans**

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

# **The Broadway Cottages Trust CIO**

## **Notes to the Financial Statements (continued)**

**Period from 1 July 2020 to 31 March 2021**

### **3. Accounting policies (continued)**

#### **Defined contribution plans (continued)**

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

### **4. Transferred from Broadway Cottages Trust**

	Unrestricted Funds £	Total Funds 2021 £
<b>Donations</b>		
Transferred from Broadway Cottages Trust	1,143,248	1,143,248

### **5. Charitable activities**

	Unrestricted Funds £	Total Funds 2021 £
Income from non-investment property in furtherance of the charity's objects	34,234	34,234

### **6. Investment income**

	Unrestricted Funds £	Total Funds 2021 £
Income from listed investments	8,670	8,670
Bank interest receivable	24	24
	8,694	8,694

### **7. Investment management costs**

	Unrestricted Funds £	Total Funds 2021 £
Portfolio management	9,878	9,878

### **8. Expenditure on charitable activities by fund type**

	Unrestricted Funds £	Total Funds 2021 £
Provision of housing	25,840	25,840
Grants made	74,500	74,500
Lifeline support	3,186	3,186
Support costs	13,349	13,349
	116,875	116,875

# **The Broadway Cottages Trust CIO**

## **Notes to the Financial Statements (continued)**

**Period from 1 July 2020 to 31 March 2021**

### **9. Expenditure on charitable activities by activity type**

	Activities undertaken directly £	Support costs £	Total funds 2021 £
Provision of housing	25,840	11,908	37,748
Grants made	74,500	—	74,500
Lifeline support	3,186	—	3,186
Governance costs	—	1,441	1,441
	<u>103,526</u>	<u>13,349</u>	<u>116,875</u>

### **10. Analysis of support costs**

	Provision of housing £	Total 2021 £
Staff costs	10,098	10,098
General office	739	739
Legal and professional fees	1,071	1,071
	<u>11,908</u>	<u>11,908</u>

### **11. Net losses on investments**

	Unrestricted Funds £	Total Funds 2021 £
Gains/(losses) on other investment assets	(27,252)	(27,252)

### **12. Independent examination fees**

	Period from 1 Jul 20 to 31 Mar 21 £
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>1,200</u>

### **13. Staff costs and emoluments**

The total staff costs and employee benefits for the reporting period are analysed as follows:

	Period from 1 Jul 20 to 31 Mar 21 £
Wages and salaries	18,770
Employer contributions to pension plans	387
	<u>19,157</u>

The average head count of employees during the period was 3.

## **The Broadway Cottages Trust CIO**

### **Notes to the Financial Statements (continued)**

**Period from 1 July 2020 to 31 March 2021**

#### **13. Staff costs and emoluments (continued)**

No employee received employee benefits of more than £60,000 during the year (2020: Nil).

#### **14. Trustee remuneration and expenses**

Ms N K Wilson is a Partner of Wilson Browne Solicitors. During the current year, fees and commission amounting to £855 were paid to that firm. Mr. P J Wilson is her father, but has no financial interest in that firm.

No other trustee or person with a family or business connection with a trustee, received remuneration in the year, directly or indirectly, from the charity.

No trustee expenses have been incurred.

#### **15. Tangible fixed assets**

	<b>Freehold property £</b>
<b>Cost</b>	
At 1 July 2020	–
Additions	448,679
<b>At 31 March 2021</b>	<u>448,679</u>
<b>Depreciation</b>	
At 1 July 2020 and 31 March 2021	<u>–</u>
<b>Carrying amount</b>	
At 31 March 2021	<u>448,679</u>

All tangible fixed assets were used for charitable purposes.

A valuation was carried out on 7 December 2016 with land and buildings having a reinstatement value of £2,821,000.

#### **16. Investments**

	<b>Listed investments £</b>
<b>Cost or valuation</b>	
At 1 July 2020	–
Additions	612,855
Disposals	(93,243)
Other movements	72,241
<b>At 31 March 2021</b>	<u>591,853</u>
<b>Impairment</b>	
At 1 July 2020 and 31 March 2021	
<b>Carrying amount</b>	
At 31 March 2021	<u>591,853</u>

## **The Broadway Cottages Trust CIO**

### **Notes to the Financial Statements (continued)**

#### **Period from 1 July 2020 to 31 March 2021**

#### **16. Investments (continued)**

All investments shown above are held at valuation.

##### **Financial assets held at fair value**

In accordance with FRS 102, fixed asset investments are recognised at fair value. The market valuation at the period end date is deemed to be fair valuation and is therefore incorporated in these financial statements.

Listed investments are stated at their mid-market value as at the balance sheet date.

#### **17. Debtors**

	<b>31 Mar 21</b>
	<b>£</b>
Prepayments and accrued income	2,101
	<u>          </u>

#### **18. Creditors: amounts falling due within one year**

	<b>31 Mar 21</b>
	<b>£</b>
Accruals and deferred income	1,400
	<u>          </u>

#### **19. Pensions and other post retirement benefits**

##### **Defined contribution plans**

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £387.

#### **20. Analysis of charitable funds**

##### **Unrestricted funds**

	At 1 July 2020	Income	Expenditure	Gains and losses	At 31 March 2021
	£	£	£	£	£
General funds	—	1,186,176	(126,753)	35,143	1,094,566
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

# **The Broadway Cottages Trust CIO**

## **Notes to the Financial Statements (continued)**

**Period from 1 July 2020 to 31 March 2021**

### **21. Analysis of net assets between funds**

	Unrestricted Funds	Total Funds
	£	2021 £
Tangible fixed assets	448,679	448,679
Investments	591,853	591,853
Current Assets	55,434	55,434
Creditors less than 1 year	(1,400)	(1,400)
<b>Net assets</b>	<b>1,094,566</b>	<b>1,094,566</b>