

The Magic Cottage CIO

Charity No. 1190613

Trustees' Report and Unaudited Accounts

31 July 2021

The Magic Cottage CIO
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The Magic Cottage CIO
TRUSTEES ANNUAL REPORT

The Trustees present their report with the unaudited financial statements of the charity for the period ended 31 July 2021.

REFERENCE AND ADMINISTRATIVE DETAILS

Charity No. 1190613

Principal Office

25 Lion Street
Abergavenny
Monmouthshire
NP7 5PE

Trustees

The following Trustees served during the year:

A.J. Batten
A.M. Meletiou
A.C. Reynolds

Accountants

Andersons Accountancy Services Ltd
10 The Cedars
Llanfoist
Abergavenny
Monmouthshire
NP7 9LX

OBJECTIVES AND ACTIVITIES

The charities objective is the relief of children or young people, with additional needs or serious illness either chronic or life limiting, and their families, for the public benefit, by providing activities, and/or holiday accommodation, for the whole family free of charge and particularly focusing on those families that would be unable to finance these activities themselves. This will initially be for families living within the counties of Monmouthshire, Blaenau Gwent, Torfaen and Powys.

The charity has fulfilled its primary function by providing activities and holiday accommodation free of charge for young people or children with additional needs or serious illness, and their families

The Trustees of the Charity would like to express our thanks to the many volunteers that work so hard and have helped to make the Magic Cottage a success.

ACHIEVEMENTS AND PERFORMANCE

During the first year we have been privileged to have sent 15 families on free short breaks, despite being in "lockdown" during part of that time. Also during lockdown we have been able to distribute toys and games to children with special needs.

We were able to help fund (£350) a "virtual festival" and Christmas Activities (£500) for bridges Centre Monmouth.

The Magic Cottage CIO
TRUSTEES ANNUAL REPORT

We have been able to pay to upgrade the caravan that the charity owns at Haven's Kiln Parc, Tenby to a brand new fully disabled adapted caravan at an upgrade cost of £29,500. Delivery will be completed in 2022. 5 disability buggies were purchased at a cost of £995, 4 of which have been given out on long term loan to enable children with mobility difficulties to access activities with their families

A grant of £500 was made to SEN department of Monmouth Comprehensive School to be used for activities with special needs children. In addition a donation of £1000 was given to Sparkle Children's Charity.

FINANCIAL REVIEW

The Charity rents 4 properties and needs to pay ground rent on the caravan which the charity owns. Therefore, the trustees feel that they need to hold reserves of £30,000.

The charities principal source of funds is through the retail outlets and would like to thank the public for the mazing quality and quantity of donations received.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Magic Cottage is constituted as a Charitable Incorporated Organisation registered with the Charities Commission on 28th July 2020 and governed by its constitution.

Trustees are appointed by the existing trustees.

Statement of trustees' responsibilities in relation to the financial statements

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

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust deed. The Trustees are also responsible for safeguarding the assets of the charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

Signed on behalf of the charity's trustees


A.C. Reynolds

Trustee

05 May 2022

INDEPENDENT EXAMINERS REPORT

Independent Examiner's Report to the trustees of The Magic Cottage CIO

I report on the accounts of The Magic Cottage CIO for the period ended 31 July 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes.

Respective responsibilities of trustees and examiner

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

The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of ICAEW.

Having satisfied myself that the charity is not subject to audit under charity law and is eligible for independent examination, it is my responsibility to:

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

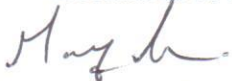
Basis of independent examiner's report

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 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 statement 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 s.130 of the 2011; and
 - to prepare accounts which accord with the accounting records and 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.



Mary Anderson FCA

ICAEW

Andersons Accountancy Services Ltd

10 The Cedars

Llanfoist

Abergavenny

Monmouthshire

NP7 9LX

05 May 2022

The Magic Cottage CIO
STATEMENT OF FINANCIAL ACTIVITIES
for the period ended 31 July 2021

		Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
	Notes			
Income and endowments from:				
Donations and legacies	2	52,483	-	52,483
Charitable activities	3	285,458	11,124	296,582
Total		337,941	11,124	349,065
Expenditure on:				
Charitable activities	4	194,159	9,679	203,838
Other	5	244	-	244
Total		194,403	9,679	204,082
Net gains on investments		-	-	-
Net income	6	143,538	1,445	144,983
Net income before other gains/(losses)		143,538	1,445	144,983
Other gains and losses:				
Net movement in funds		143,538	1,445	144,983
Reconciliation of funds:				
Total funds carried forward		143,538	1,445	144,983

The Magic Cottage CIO**BALANCE SHEET**

at 31 July 2021

Charity No. 1190613

2021

£

Fixed assets

Tangible assets	8	29,664
		<u>29,664</u>

Current assets

Stocks	9	2,625
Debtors	10	104,708
Cash at bank and in hand		10,991
		<u>118,324</u>

Creditors: Amount falling due within one year	11	(3,005)
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Net current assets		115,319
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Total assets less current liabilities		144,983
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Net assets excluding pension asset or liability		144,983
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Total net assets		<u>144,983</u>
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The funds of the charity

Restricted funds	12	
Restricted income funds		1,445
		<u>1,445</u>

Unrestricted funds	12	
General funds		143,538
		<u>143,538</u>

Reserves	12	
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Total funds		<u>144,983</u>
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Approved by the trustees on 05 May 2022

And signed on their behalf by:



A.C. Reynolds

Trustee

05 May 2022

The Magic Cottage CIO
STATEMENT OF CASH FLOWS
for the period ended 31 July 2021

	2021	
	£	£
Cash flows from operating activities		
Net income per Statement of Financial Activities	144,983	-
Adjustments for:		
Depreciation of property, plant and equipment	8,359	-
Increase in stocks	(2,625)	-
Increase in trade and other receivables	(104,708)	-
Increase in trade and other payables	3,005	-
Net cash provided by operating activities	<u>49,014</u>	<u>-</u>
Cash flows from investing activities		
Proceeds from sales of property, plant and equipment	3,398	-
Purchases of property, plant and equipment	(41,421)	-
Net cash used in investing activities	<u>(38,023)</u>	<u>-</u>
Net cash from financing activities	<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents	10,991	-
Cash and cash equivalents at the beginning of the period	-	-
Cash and cash equivalents at the end of the period	<u>10,991</u>	<u>-</u>
Components of cash and cash equivalents		
Cash and bank balances	10,991	-
	<u>10,991</u>	<u>-</u>

The Magic Cottage CIO
NOTES TO THE ACCOUNTS

for the period ended 31 July 2021

1 Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

Fund accounting

Unrestricted funds	These are available for use at the discretion of the trustees in furtherance of the general objects of the charity.
Designated funds	These are unrestricted funds earmarked by the trustees for particular purposes.
Revaluation funds	These are unrestricted funds which include a revaluation reserve representing the restatement of investment assets at their market values.
Restricted funds	These are available for use subject to restrictions imposed by the donor or through terms of an appeal.

Income

Recognition of income	Income is included in the Statement of Financial Activities (SoFA) when the charity becomes entitled to, and virtually certain to receive, the income and the amount of the income can be measured with sufficient reliability.
Income with related expenditure	Where income has related expenditure the income and related expenditure is reported gross in the SoFA.
Donations and legacies	Voluntary income received by way of grants, donations and gifts is included in the the SoFA when receivable and only when the Charity has unconditional entitlement to the income.
Tax reclaims on donations and gifts	Income from tax reclaims is included in the SoFA at the same time as the gift/donation to which it relates.
Donated services and facilities	These are only included in income (with an equivalent amount in expenditure) where the benefit to the Charity is reasonably quantifiable, measurable and material.
Volunteer help	The value of any volunteer help received is not included in the accounts.
Investment income	This is included in the accounts when receivable.
Gains/(losses) on revaluation of fixed assets	This includes any gain or loss resulting from revaluing investments to market value at the end of the year.
Gains/(losses) on investment assets	This includes any gain or loss on the sale of investments.

NOTES TO THE ACCOUNTS

Expenditure

Recognition of expenditure	Expenditure is recognised on an accruals basis. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.
Expenditure on raising funds	These comprise the costs associated with attracting voluntary income, fundraising trading costs and investment management costs.
Expenditure on charitable activities	These comprise the costs incurred by the Charity in the delivery of its activities and services in the furtherance of its objects, including the making of grants and governance costs.
Grants payable	All grant expenditure is accounted for on an actual paid basis plus an accrual for grants that have been approved by the trustees at the end of the year but not yet paid.
Governance costs	These include those costs associated with meeting the constitutional and statutory requirements of the Charity, including any audit/independent examination fees, costs linked to the strategic management of the Charity, together with a share of other administration costs.
Other expenditure	These are support costs not allocated to a particular activity.

Taxation

The charity is exempt from tax on its charitable activities.

Tangible fixed assets and depreciation

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Plant & machinery	20%% reducing balance
Motor vehicles	25%% reducing balance
Fixtures & fittings	25%% straight line

Stocks

Stock is included at the lower of cost or net realisable value. Donated items of stock are recognised at fair value which is the amount the charity would have been willing to pay for the items on the open market.

Trade and other debtors

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

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowings or current liabilities. In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the company's cash management.

Trade and other creditors

Short term creditors are measured at the transaction price. Other creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Leased assets

Where the charity enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease.

Leases which do not transfer substantially all the risks and rewards of ownership to charity are classified as operating leases.

Assets held under finance leases are initially recognised as assets of the charity at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet date as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the charity's policy on borrowing costs.

Assets held under finance leases are depreciated in the same way as owned assets.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis.

Pension costs

The charity operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the charity pays fixed contributions into a separate entity. Once the contributions have been paid the charity has no further payments obligations. The contributions are recognised as expenses when they fall due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the charity in independently administered funds.

2 Income from donations and legacies

	Unrestricted	Total
		2021
	£	£
Donations and legacies	52,483	52,483
	<u>52,483</u>	<u>52,483</u>

The Magic Cottage CIO
NOTES TO THE ACCOUNTS

3 Income from charitable activities

	Unrestricted	Restricted	Total
	£	£	£
Grants	55,000	11,124	66,124
Shop takings	222,901	-	222,901
Food, refreshments	4,454	-	4,454
Recycling	3,103	-	3,103
	<u>285,458</u>	<u>11,124</u>	<u>296,582</u>

4 Expenditure on charitable activities

	Unrestricted	Restricted	Total
	£	£	£
<i>Expenditure on charitable activities</i>			
Shop purchases	44	-	44
Delivery & collection costs	2,827	-	2,827
Caravan costs	4,968	-	4,968
Wages and salaries	73,528	8,624	82,152
Pension costs	555	-	555
Staff training & welfare	180	-	180
Rent and rates	64,080	-	64,080
Light and heat	7,702	-	7,702
Property insurance	2,203	-	2,203
Equipment expensed	11,463	995	12,458
Repairs and maintenance	4,579	-	4,579
Cleaning	646	-	646
Telephone and fax	336	-	336
Stationery and printing	368	-	368
Postage	57	-	57
Advertising	79	-	79
Licences and subscriptions	343	-	343
Sundry	1,100	60	1,160
Motor expenses	3,510	-	3,510
Travel & subsistence	404	-	404
Donations	2,350	-	2,350
Depreciation	8,359	-	8,359
<i>Governance costs</i>			
Accountancy	1,080	-	1,080
	<u>190,761</u>	<u>9,679</u>	<u>200,440</u>

The Magic Cottage CIO
NOTES TO THE ACCOUNTS

5 Other expenditure

	Unrestricted	Total 2021
	£	£
General administrative costs	94	94
Legal and professional costs	150	150
	<u>244</u>	<u>244</u>

6 Net income before transfers

	2021 £
This is stated after charging: Independent Examiner's fee	1,080

7 Staff costs

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

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

	2021 Number
Shops	<u>6</u>
	<u>6</u>

The Charity pension scheme is provided by NEST

8 Tangible fixed assets

	Plant & machinery	Motor vehicles	Fixtures & fittings	Total
	£	£	£	£
Cost or revaluation				
Additions	13,926	21,898	5,597	41,421
Disposals	-	(3,398)	-	(3,398)
At 31 July 2021	<u>13,926</u>	<u>18,500</u>	<u>5,597</u>	<u>38,023</u>
Depreciation and impairment				
Depreciation charge for the year	2,785	4,625	949	8,359
At 31 July 2021	<u>2,785</u>	<u>4,625</u>	<u>949</u>	<u>8,359</u>
Net book values				
At 31 July 2021	<u>11,141</u>	<u>13,875</u>	<u>4,648</u>	<u>29,664</u>

9 Stocks

	2021 £
Finished goods	<u>2,625</u>
	<u>2,625</u>

The Magic Cottage CIO
NOTES TO THE ACCOUNTS

10 Debtors

	2021
	£
Other debtors	91,741
Prepayments and accrued income	12,967
	<u>104,708</u>

11 Creditors:

amounts falling due within one year

	2021
	£
Other creditors	534
Accruals and deferred income	2,471
	<u>3,005</u>

12 Movement in funds

	Incoming resources (including other gains/losses)	Resources expended	At 31 July 2021
	£	£	£
Restricted funds:			
Restricted income funds:			
Job Retention Scheme	8,624	(8,624)	-
Monmouth Housing Association	2,500	(1,055)	1,445
<i>Total</i>	<u>11,124</u>	<u>(9,679)</u>	<u>1,445</u>
Unrestricted funds:			
General funds	337,941	(194,403)	143,538
Revaluation Reserves:			
Total funds	<u>349,065</u>	<u>(204,082)</u>	<u>144,983</u>

Purposes and restrictions in relation to the funds:

Restricted funds:

Job Retention Scheme	Support for staff during Covid
Monmouth Housing Association	Purchase mobility strollers and sensory suitcases

The Magic Cottage CIO
NOTES TO THE ACCOUNTS

13 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fixed assets	29,664	-	29,664
Net current assets	113,814	1,505	115,319
	<u>143,478</u>	<u>1,505</u>	<u>144,983</u>

14 Commitments

Capital commitments

2021

£

Capital commitments contracted for at the end of the financial year for which no provision has been made:

79,220

Operating lease commitments

Annual commitments under non-cancellable operating leases are as follows:

	2021 Land and buildings £	2021 Other £
Operating leases with expiry date:		
Within one year	36,200	-
In the second to fifth years inclusive	43,020	-
	<u>79,220</u>	<u>-</u>

Pension commitments

2021

£

Unpaid contributions due to the fund are included in other creditors and amounted to:

59

15 Related party disclosures

Transactions with related parties

2021

£

Name of related party Lesley Reynolds
Description of relationship between the parties Wife of trustee
Description of transaction and general amounts Employee of charity involved
Amount due from/(to) the related party

(27,705)

The Magic Cottage CIO
DETAILED STATEMENT OF FINANCIAL ACTIVITIES
for the period ended 31 July 2021

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Income and endowments from:			
Donations and legacies			
Donations and legacies	52,483	-	52,483
	<u>52,483</u>	<u>-</u>	<u>52,483</u>
Charitable activities			
Grants	55,000	11,124	66,124
Shop takings	222,901	-	222,901
Caravan income	4,454	-	4,454
Recycling	3,103	-	3,103
	<u>285,458</u>	<u>11,124</u>	<u>296,582</u>
Total income and endowments	337,941	11,124	349,065
Expenditure on:			
Charitable activities			
Shop takings	44	-	44
Delivery & collection costs	2,827	-	2,827
Caravan costs	4,968	-	4,968
Wages and salaries	73,528	8,624	82,152
Pension costs	555	-	555
Staff training & welfare	180	-	180
Rent and rates	64,080	-	64,080
Light and heat	7,702	-	7,702
Property insurance	2,203	-	2,203
Equipment expensed	11,463	995	12,458
Repairs and maintenance	4,579	-	4,579
Cleaning	646	-	646
Telephone and fax	336	-	336
Stationery and printing	368	-	368
Postage	57	-	57
Advertising	79	-	79
Licences and subscriptions	343	-	343
Sundry	1,100	60	1,160
Motor expenses	3,510	-	3,510
Travel & subsistence	404	-	404
Donations	2,350	-	2,350
Loss/(profit) on disposal of asset	3,398	-	3,398
Depreciation	8,359	-	8,359
	<u>193,079</u>	<u>9,679</u>	<u>202,758</u>
Governance costs			
Accountancy	1,080	-	1,080
	<u>1,080</u>	<u>-</u>	<u>1,080</u>

The Magic Cottage CIO

DETAILED STATEMENT OF FINANCIAL ACTIVITIES

Total of expenditure on charitable activities	194,159	9,679	203,838
General administrative costs, including depreciation and amortisation			
Depreciation of Plant & machinery	-	-	-
Depreciation of Motor vehicles	-	-	-
Depreciation of Fixtures & fittings	-	-	-
Bank charges	69	-	69
Telephone, fax and broadband	25	-	25
	<u>94</u>	<u>-</u>	<u>94</u>
Legal and professional costs			
Solicitor's fees	150	-	150
	<u>150</u>	<u>-</u>	<u>150</u>
Total of expenditure of other costs	<u>244</u>	<u>-</u>	<u>244</u>
Total expenditure	194,403	9,679	204,082
Net gains on investments	-	-	-
	<u>143,538</u>	<u>1,445</u>	<u>144,983</u>
Net income			
Net income before other gains/(losses)	143,538	1,445	144,983
Other Gains	-	-	-
	<u>143,538</u>	<u>1,445</u>	<u>144,983</u>
Net movement in funds			
	<u>143,538</u>	<u>1,445</u>	<u>144,983</u>