



Trustees' Annual Report for the period

From	Period start date			To	Period end date		
	Day 01	Month 08	Year 2021		Day 31	Month 07	Year 2022

Section A Reference and administration details

Charity name

THE MAGIC COTTAGE

Other names charity is known by

Registered charity number (if any)

1190613

Charity's principal address

25 Lion Street

Abergavenny

Postcode

NP7 5PE

Names of the charity trustees who manage the charity

	Trustee name	Office (if any)	Dates acted if not for whole year	Name of person (or body) entitled to appoint trustee (if any)
1	Anthony Reynolds	Chair		
2	Angelica Meletiou			
3	Anna Batten			
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				

Names of the trustees for the charity, if any, (for example, any custodian trustees)

Name	Dates acted if not for whole year

Names and addresses of advisers (Optional information)

Type of adviser	Name	Address

Name of chief executive or names of senior staff members (Optional information)

--

Section B Structure, governance and management

Description of the charity's trusts

Type of governing document (eg. trust deed, constitution)	Constitution
How the charity is constituted (eg. trust, association, company)	Trust
Trustee selection methods (eg. appointed by, elected by)	Elected by existing Trustees

Additional governance issues (Optional information)

You **may choose** to include additional information, where relevant, about:

- ☐ policies and procedures adopted for the induction and training of trustees;
- ☐ the charity's organisational structure and any wider network with which the charity works;
- ☐ relationship with any related parties;
- ☐ trustees' consideration of major risks and the system and procedures to manage them.

A charity trustee must:

(1) declare the nature and extent of any interest, direct or indirect, which he or she has in a proposed transaction or arrangement with the CIO or in any transaction or arrangement entered into by the CIO which has not previously been declared; and
(2) absent himself or herself from any discussions of the charity trustees in which it is possible that a conflict of interest will arise between his or her duty to act solely in the interests of the CIO and any personal interest (including but not limited to any financial interest).

Any charity trustee absenting himself or herself from any discussions in accordance with this clause must not vote or be counted as part of the quorum in any decision of the charity trustees on the matter.

Section C Objectives and activities

Summary of the objects of the charity set out in its governing document

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.

Summary of the main activities undertaken for the public benefit in relation to these objects (include within this section the statutory declaration that trustees have had regard to the guidance issued by the Charity Commission on public benefit)

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, for the public benefit as per the Charity Commission's guidance.

We have also been able to supply disabled adapted buggies to a number of families to enable them to access activities that otherwise would have been impossible for them.

We have given grants of £1000 each to "Sparkle" based at Neville Hall Hospital, to the Children's Unit at the Grange Hospital Cwmbran and to The Heath Hospital to be used to fund activities and activity equipment for children whilst in hospital.

We have also been able to give away "sensory equipment," to help families that have children with sensory or autistic issues.

Additional details of objectives and activities (Optional information)

The Charity would like to express our thanks to the many volunteers that have worked on our behalf, and helped to make the Magic Cottage such a success.

You **may choose** to include further statements, where relevant, about:

- ☐ policy on grantmaking;
- ☐ policy programme related investment;
- ☐ contribution made by volunteers.

Section D

Achievements and performance

Section D

Achievements and performance

Summary of the main achievements of the charity during the year

During this year we have been very privileged to have sent 35 families on free short breaks.

We have also been able to supply a further 4 disabled adapted buggies to a number of families to enable them to access activities that otherwise would have been impossible for them.

We have given grants of £1000 each to “Sparkle” based at Neville Hall Hospital, to the Children’s Unit at the Grange Hospital Cwmbran and to Noah’s Ark Project based at The Heath Hospital to be used to fund activities and activity equipment for children whilst in hospital.

We have also been able to give away “sensory equipment,” to help families that have children with sensory or autistic issues.

Section E

Financial review

Brief statement of the charity's policy on reserves

We rent 4 properties, and have an annual ground rent payable on the caravan which we own. Therefore, we feel that we need to hold a reserve of £30,000

Details of any funds materially in deficit

Further financial review details (Optional information)

You **may choose** to include additional information, where relevant about:

- ☐ the charity's principal sources of funds (including any fundraising);
- ☐ how expenditure has supported the key objectives of the charity;
- ☐ investment policy and objectives including any ethical investment policy adopted.

The Charity's principal source of income is through our retail outlets, and we would like to thank the public for the amazing quality and quantity of donations that we have received.

Section F Other optional information

Section G Declaration

The trustees declare that they have approved the trustees' report above.

Signed on behalf of the charity's trustees

Signature(s)		
Full name(s)	Anthony Christopher Reynolds	
Position (eg Secretary, Chair, etc)	Chair of Trustees	
Date		

THE MAGIC COTTAGE

CHARITY NUMBER 1190613

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2022

Independent Examiner's Report to the Trustees of The Magic Cottage

I report to the trustees of The Magic Cottage on the accounts for the year ended 31st July 2022

Responsibilities and basis of report

As the charity's trustees you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ("the Act").

I report in respect of my examination of the Trust's accounts 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

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

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination which gives me cause to believe that in any material aspect:-

- (1) the accounting records were not kept in accordance with section 130 of the Charities Act or
- (2) the accounts did not accord with the accounting records or
- (3) the accounts did 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.

Steve Drake

Steve Drake
Chartered Certified Accountant (F.C.C.A.)
24 James Street, Ebbw Vale, Blaenau Gwent, NP23 6JG

27th March 2023

THE MAGIC COTTAGE - CHARITY NUMBER 1190613
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31st JULY 2022
STATEMENT OF FINANCIAL ACTIVITIES

	<u>Unrestricted</u> <u>funds</u>	<u>Restricted</u> <u>funds</u>	<u>Total</u> <u>this year</u>	<u>Total</u> <u>last year</u>
	£	£	£	£
<u>INCOMING RESOURCES</u>				
Donations and Legacies	142.00	-	142.00	52,483.00
Shop Takings	255,964.40	-	255,964.40	222,901.00
Grants Received	-	-	-	66,124.00
Recycling	3,183.50	-	3,183.50	3,103.00
Caravan Income	5,675.67	-	5,675.67	4,454.00
TOTAL INCOMING RESOURCES	264,965.57	-	264,965.57	349,065.00
	£	£	£	£
<u>RESOURCES EXPENDED</u>				
Cost of Goods Sold	11,248.21	-	11,248.21	-
Direct Expenses	414.65	-	414.65	-
Other shop sundry purchases	203.68	-	203.68	44.00
Employee salaries	117,286.82	-	117,286.82	82,152.00
Employer NI Contributions	1,944.44	-	1,944.44	-
Premises rent	78,340.58	-	78,340.58	64,080.00
Rates on premises	2,075.25	-	2,075.25	-
Heat, Light and Power	10,659.90	-	10,659.90	7,702.00
Repairs and Maintenance	3,386.80	-	3,386.80	4,579.00
Caravan Expenses	9,072.02	-	9,072.02	4,968.00
Sum up charges	1,908.22	-	1,908.22	-
Bank charges	4.49	-	4.49	69.00
Food and Refreshments	62.41	-	62.41	-
Advertising and Marketing	38.50	-	38.50	79.00
Accountancy	1,200.00	-	1,200.00	1,080.00
Companies House	8.00	-	8.00	-
Cleaning costs	1,357.13	-	1,357.13	646.00
Delivery and Collection costs	1,764.50	-	1,764.50	2,827.00
Depreciation on fixed assets	10,227.76	-	10,227.76	8,359.00
Profit arising on sale of fixed assets	(13,478.86)	-	(13,478.86)	(3,398.00)
Charitable Donations	1,947.24	1,445.00	3,392.24	2,350.00
Staff Welfare	113.60	-	113.60	180.00
Postage	16.25	-	16.25	57.00
Equipment repairs and renewals	2,281.66	-	2,281.66	13,643.00
Insurance	2,861.94	-	2,861.94	2,203.00
Legal Expenses	-	-	-	150.00
Motor and Travelling costs	3,607.83	-	3,607.83	3,914.00
Printing and Stationery	1,061.59	-	1,061.59	368.00
Pension Costs	972.00	-	972.00	555.00
Licences and Subscriptions	-	-	-	343.00
Telephony and Internet	844.20	-	844.20	336.00
TOTAL RESOURCES EXPENDED	251,430.81	1,445.00	252,875.81	197,286.00
NET INCOMING/(OUTGOING) RESOURCES	13,534.76	(1,445.00)	12,089.76	58,219.65
TOTAL FUNDS BROUGHT FORWARD	143,538.00	1,445.00	144,983.00	86,763.35
TOTAL FUNDS CARRIED FORWARD	157,072.76	-	157,072.76	144,983.00

THE MAGIC COTTAGE
BALANCE SHEET AS AT 31ST JULY 2022

	Note	<u>2022</u> £	<u>2021</u> £
<u>FIXED ASSETS</u>			
Fixtures and Fittings - nett of depreciation		4,475.91	4,647.88
Motor Vehicles - nett of depreciation		10,406.25	13,875.00
Caravan - nett of depreciation		47,894.65	11,140.80
		<u>62,776.81</u>	<u>29,663.68</u>
<u>CURRENT ASSETS</u>			
Sum up Debtor		1,434.10	841.38
Stock of purchased goods		11,000.00	2,625.00
Other Debtors		2,703.36	30,510.00
Prepayments		12,986.52	12,966.67
Cash in hand		10,734.68	10,150.03
Cash at bank		70,325.66	59,809.61
TOTAL ASSETS		<u>171,961.13</u>	<u>146,566.37</u>
<u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>			
Expense creditors		14,888.37	1,583.37
NET ASSETS		<u>157,072.76</u>	<u>144,983.00</u>
<u>FUNDS OF THE CHARITY</u>			
Unrestricted funds		157,072.76	143,538.00
Restricted Income funds		-	1,445.00
TOTAL FUNDS		<u>157,072.76</u>	<u>144,983.00</u>

Signed by the following two trustees
on behalf of all the trustees

Print Name **Date of Approval**

THE MAGIC COTTAGE
NOTES TO THE ACCOUNTS

NOTE 1 - BASIS OF PREPARATION

1.1 Basis of accounting

These accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts.

The accounts have been prepared in accordance with:

- (i) the statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and with,
- (ii) the Charities Act 2011.

1.2 Change in basis of accounting

There has been no change to the accounting policies (valuation rules and methods of accounting) since last year.

1.3 Changes to previous accounts

No changes have been made to accounts for previous years.

NOTE 2 - ACCOUNTING POLICIES

INCOMING RESOURCES

2.1 Recognition of Incoming resources

These are included in the Statement of Financial Activities when:

- (i) the charity becomes entitled to the resources;
- (ii) the trustees are virtually certain they will receive the resources; and
- (iii) the monetary value can be measured with sufficient reliability.

2.2 Incoming resources with related expenditure

Where incoming resources have related expenditure, the incoming resources and related expenditure are reported gross in the Statement of Financial Activities.

2.3 Grants and donations

Grants and donations are only included in the Statement of Financial Activities when the Charity has unconditional entitlement to the resources.

2.4 Investment Income

This is included in the accounts when receivable.

EXPENDITURE AND LIABILITIES

2.5 Liability recognition

Liabilities are recognized as soon as there is a legal or constructive obligation committing the charity to pay out the resources.

NOTE 3 - DETAILS OF CERTAIN ITEMS OF EXPENDITURE

3.1 Fees for examination of the accounts

	<u>2022 (£)</u>	<u>2021 (£)</u>
Independent examiner's fees for reporting on the accounts	1,200.00	1,080.00

THE MAGIC COTTAGE**NOTES TO THE ACCOUNTS (CONT'D)****NOTE 4 - DEBTORS AND PREPAYMENTS**

Analysis of debtors: amounts falling due within one year

	<u>2022 (£)</u>	<u>2021 (£)</u>
Sum Up Debtor	1,434.10	841.38
Other Debtors	2,703.36	30,510.00
Rent Prepaid	12,986.52	12,966.67
	<u>17,123.98</u>	<u>44,318.05</u>

NOTE 5 - CASH AT BANK AND IN HAND

	<u>2022 (£)</u>	<u>2021 (£)</u>
Cash at bank	70,325.66	59,809.61
Cash in hand	10,734.68	10,150.03
	<u>81,060.34</u>	<u>69,959.64</u>

NOTE 6 - CREDITORS AND ACCRUALS

Analysis of creditors: amounts falling due within one year

	<u>2022 (£)</u>	<u>2021 (£)</u>
Accountancy	1,200.00	1,080.00
Staff wages	9,879.29	475.87
HMRC - PAYE/NIC	3,515.06	(1,422.19)
Pension	294.02	58.87
Cleaning	-	145.00
British Gas	-	119.74
Sundries	-	41.08
Rent	-	1,085.00
	<u>14,888.37</u>	<u>1,583.37</u>

GARRY WHITE and COMPANY
CHARTERED CERTIFIED ACCOUNTANTS

24, JAMES STREET,
EBBW VALE,
BLAENAU GWENT
NP23 6JG
TEL: 01495 302382 MOBILE 07977 729071
Email: steve@garrywhiteand.co.uk
www.garrywhiteand.co.uk

S. DRAKE, F.C.C.A., A.T.T.

Our Ref: WP/8210/SD

Your Ref: Lesley/Tony

Date: 27th March 2023

Mr. and Mrs L. Reynolds
The Magic Cottage
Charnwood
Forge Lane
Llangynidr
Powys
NP8 1LU

Dear Lesley and Tony,

Re: - The Magic Cottage – Financial Statements – year ended 31st July 2022

Further to the receipt of the various e mails from you over the last week I now have pleasure in attaching a copy of the Financial Statements for your perusal and/or comments please.

I would again emphasize the comments made in the second paragraph on page 1 of the Statements namely that as Trustees you consider that the Audit Requirement of Section 144 of the Charities Act does not apply and so I am reporting to you as an Independent Examiner.

I would draw your attention to the following points:

(1) Background to the Accounts

The Accounts have been prepared on an accrual basis as per guidelines laid upon me by the Charity Commission. Pages 3 and 4 of the Accounts show the Income and Expenditure of the Charity during the 12-month period. Due to conditions laid down in the various grant literature I have had to separate these into Restricted and Unrestricted funds. The Restricted fund section shows the various grants received and the related expenditure paid out in respect of those grants. No restricted funds remained at the 31st July 2022.

If you look at pages 3 and 4 of the Accounts you will note that total Income amounted to £264,965.57 whereas total expenses amounted to £252,875.81. If you look at the balance sheet on page 4 of the Accounts total reserves have increased this year from £144,983.00 to £157,072.76.

(2) Work undertaken on these accounts

Whereas with the previous accountant you had entered all figures into the relating software which was then VT software, this year one of my staff members, Cara, has entered all information into the Xero software on your behalf. Even though my bill is £100 plus vat higher than the previous accountant it does not reflect all the hours that Cara has undertaken. Due to the fact that the organisation is a registered charity and I can see the efforts you put in to help deprived families in the area I am willing to forgo a lot of Cara's time costings to help out the Charity.

(3) Accounting year ended 31st July 2023

We are nearly 8 months into the next accounting year. If you wish Cara to enter figures into Xero for you, please let me know. We will need you to pull in the Co-Operative bank statements for us. Cara has sent the form to Xero to send on to the bank.

(4) Signing of the Accounts by the trustees

Once the Accounts have been approved by the trustees could you please ensure that they are signed by 2 of the trustees on behalf of the board on page 5 where indicated. Could you ensure that the relating trustees print their full name alongside their signature. Once a copy has been signed could you return a signed copy to my office. Electronic or scanned signatures are sufficient.

(5) Annual Charity Commissioners return

If you need help in submitting this form please let me know. The accounts which are in PDF format will have to be uploaded to the Charity Commission along with your trustees report for the year. To enable me to file the documents I will need the report itself as well as the Charity Commission password.

(6) Fee Bill

This is attached for your kind attention.

(7) Business Records

These can be collected from my office when convenient.

I look forward to receiving a copy of the Accounts back signed by the trustees.

Best Wishes,

Steve Drake

Steve
Garry White and Company