

THE MAGIC COTTAGE – TRUSTEES REPORT AUGUST 24 - JULY 25

This year has been the most difficult and challenging year that we have faced as a Charity. In May 23 we took on a 4 storey ex-department store of about 17,000 sq ft of retail space. It took us quite a while to get to grips with the scale of this project,(the largest Charity shop in Wales.) It was really starting to pay dividends and the massive media and bookshop that was just one department within the whole shop, which was still in the process of being set up, only about a third full was producing great results for the Charity.

We were starting to feel that things were taking off and we had many plans for the future including using an upstairs room as a concert venue providing musical theatre sessions for our target children.

However on 10th November 2024, disaster struck and the building suffered a devastating fire which meant that by the following day it had been burned to the ground, along with all our hopes and dreams for the future!

The days that followed were like a nightmare. Not only did we have to deal with the consequences of the fire, the loss of income etc but we suffered the most horrendous hate campaign on Facebook aimed mainly at Lesley and Tony who were the founders of the Charity. The campaign was spearheaded by an ex-volunteer who Lesley and Tony had personally lent money to which was never repaid.

As we did not own the building the only thing we could claim for was Fixtures and Fittings and Business Interruption Insurance. The Insurance company admitted liability but were not forthcoming with any payments for a substantial period. Meantime they were pushing us to find another premises to mitigate their lose. We took out the lease on the old HSBC bank which needed quite a bit of work. The floor was in a terrible mess with parts of it being tiled but broken and parts at a totally different level. We were quoted £7500 to level it and carpet tile it. We were by now of course very short of cash and so bravely, Tony, Lesley and Jill one of our managers set about and did the work themselves at a cost of just £700. Our thanks to all of them.

Shortage of funds meant that we had to make some staff redundant.

We have continued to rebuild using our new premises and then recently being pressurised by the Insurers to find a building from which we could sell furniture have taken on a large warehouse building open to the public.

Through all this time we have tried to continue the support to children, young people and families that are our primary purpose.

During the year we have supplied 4 disabled buggies to enable families to get out and about. We have given grants of £3000 to various schools SEN departments, we have answered one off requests such as noise cancelling headphones and we have continued to provide free short break holidays in our disabled adapted caravan in Kiln Parc, Tenby.

We do not feel completely out of the woods yet but have a very dedicated core team who have stuck by us, going above and beyond to help ensure the continued success of the Charity.

Angelica Meletiou Chair of Trustees

THE MAGIC COTTAGE

CHARITY NUMBER 1190613

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2025

THE MAGIC COTTAGE - CHARITY NUMBER 1190613
ANNUAL ACCOUNTS FOR THE YEAR ENDED 31st JULY 2025
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	11,000.00	-	11,000.00	130.00
Shop, Cafe and Online Takings	180,603.79	-	180,603.79	372,441.74
Insurance claims	105,000.00	-	105,000.00	-
Grants Received	1,025.77	-	1,025.77	10,000.00
Recycling	3,226.74	-	3,226.74	8,613.25
Rent receivable/(refunded)	(458.09)	-	(458.09)	11,703.80
Caravan Income	9,734.00	-	9,734.00	5,911.31
Other Income (Incl. car park)	4,226.73	-	4,226.73	13,422.19
TOTAL INCOMING RESOURCES	314,358.94	-	314,358.94	422,222.29
	£	£	£	£
<u>RESOURCES EXPENDED</u>				
Cost of Goods Sold	24,226.23	-	24,226.23	9,237.78
Direct Expenses	3,181.78	-	3,181.78	2,287.92
Café and food Purchases	-	-	-	12,380.32
Employee salaries	150,109.86	-	150,109.86	188,618.40
Employer NI Contributions	8,828.70	-	8,828.70	9,022.39
Self Employed workers	3,011.80	-	3,011.80	21,646.67
Premises rent and service charges	67,639.74	-	67,639.74	100,096.48
Rates on premises	1,257.12	-	1,257.12	7,558.25
Heat, Light and Power	5,422.91	-	5,422.91	9,410.62
Repairs and Maintenance	22,533.60	-	22,533.60	6,520.50
Caravan Expenses	11,490.00	-	11,490.00	10,617.07
Sum up charges	1,581.15	-	1,581.15	150.23
Bank and credit card charges	1,741.49	-	1,741.49	884.94
Advertising and Marketing	619.74	-	619.74	1,336.09
Accountancy	1,660.00	-	1,660.00	1,650.00
Cleaning costs	171.36	-	171.36	546.03
Delivery and Collection costs	-	-	-	200.00
Depreciation on fixed assets	8,755.41	-	8,755.41	13,899.20
Charitable Donations	6,642.20	-	6,642.20	2,700.17
Staff Training and Welfare	183.73	-	183.73	226.65
Postage	362.97	-	362.97	231.22
Consultancy fees and Legal expenses	500.00	-	500.00	1,250.00
Fees regarding insurance claims	10,400.00	-	10,400.00	-
Subscriptions, Licences and Sundry Expenses	481.62	-	481.62	483.61
Refuse Collections	1,269.12	-	1,269.12	4,204.71
Equipment rental	635.76	-	635.76	1,308.68
Software and IT consumables	3,693.30	-	3,693.30	1,850.14
Equipment repairs and renewals	15,682.99	-	15,682.99	7,357.03
Insurance	1,871.04	-	1,871.04	2,753.71
Motor and Travelling costs	6,330.06	-	6,330.06	6,164.11
Cash lost in fire	5,310.11	-	5,310.11	-
Car park agent fees	-	-	-	2,638.90
Printing and Stationery	545.47	-	545.47	655.93
Pension Costs	865.16	-	865.16	917.80
Telephone and Internet	1,160.15	-	1,160.15	1,322.33
TOTAL RESOURCES EXPENDED	368,164.57	-	368,164.57	430,127.88

NET INCOMING/(OUTGOING) RESOURCES	(53,805.63)	-	(53,805.63)	(7,905.59)
TOTAL FUNDS BROUGHT FORWARD	144,353.31	-	144,353.31	152,258.90
TOTAL FUNDS CARRIED FORWARD	90,547.68	-	90,547.68	144,353.31

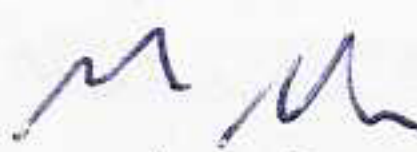
THE MAGIC COTTAGE
BALANCE SHEET AS AT 31ST JULY 2025

	Note	2025 £	2024 £
<u>FIXED ASSETS</u>			
Fixtures and Fittings - nett of depreciation		1,888.27	2,517.70
Motor Vehicles - nett of depreciation		14,567.06	18,091.15
Caravan - nett of depreciation		33,394.10	37,995.99
		49,849.43	58,604.84
<u>CURRENT ASSETS</u>			
Credit card Debtor		638.82	416.15
Stock of purchased goods		-	23,638.72
Other Debtors		16,709.10	11,557.90
Prepayments		7,167.39	4,067.59
Cash in hand		5,415.06	4,886.13
Cash at bank		23,052.37	47,555.41
TOTAL ASSETS		102,832.17	150,726.74
<u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>			
Expense creditors		12,284.49	6,373.43
NET ASSETS		90,547.68	144,353.31

FUNDS OF THE CHARITY

Unrestricted funds	90,547.68	144,353.31
Restricted Income funds	-	-
TOTAL FUNDS	90,547.68	144,353.31

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




Print Name **Date of Approval**

MARK REYNOLDS

27/11/25

A.M. MELETIOU

28/11/25

GARRY WHITE and COMPANY
CHARTERED CERTIFIED ACCOUNTANTS

24, JAMES STREET,
EBBW VALE,
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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: 18th September 2025

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 2025

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. Page 3 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 2025.

If you look at pages 3 and 4 of the Accounts you will note that total Income amounted to £314,358.94 whereas total expenses amounted to £368,164.57. If you look at the balance sheet on page 4 of the Accounts total reserves have reduced this year from £144,353.31 to £90,547.68.

(2) Staff wages

You should ensure that all wages paid go through the payroll.

(3) 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.

(4) 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.

(5) Cost of goods sold – paid items

At the 31st July each year you will need to carry out a stocktake of paid goods (donated goods are not included since their cost price is nil), this valuation should be at cost price (excl. vat). The value of paid stock at the 31st July 2025 you have confirmed as £0.

(6) Motor Vehicles

At the 31st July 2025 the business owned a Vauxhall Vivaro van and a Peugeot van. These should be pool vehicles. If any vehicle is used privately by an employee, then a benefit in kind will arise on that respective employee.

(7) Fee Bill

This is attached for your kind attention.

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

Best Wishes,

Steve Drake

Steve
Garry White and Company