

THE MILLS CHARITY
ANNUAL REPORT
FOR THE YEAR ENDED 31 JANUARY 2022

Charity Number: 207259

Regulator of Social Housing Registration Number: 5122

Ensors Accountants LLP
Floor 3, Connexions, 159 Princes Street
Ipswich
IP1 1QJ

**THE MILLS CHARITY
FOR THE YEAR ENDED 31 JANUARY 2022**

INDEX

Page No.	
3	OFFICERS AND GENERAL INFORMATION
4 – 7	TRUSTEES' ANNUAL REPORT
8 - 10	INDEPENDENT AUDITORS REPORT
11	BALANCE SHEET
12	STATEMENT OF FINANCIAL ACTIVITIES
13	STATEMENT OF CASH FLOWS
14 – 24	NOTES TO THE ACCOUNTS
25	STATEMENT OF FINANCIAL ACTIVITIES – COMPARATIVE YEAR

**THE MILLS CHARITY
FOR THE YEAR ENDED 31 JANUARY 2022**

OFFICERS AND GENERAL INFORMATION

TRUSTEES:	Mr M J Kelleway Rev M Vipond Mrs N Warner Mrs J Blore Mr J Robbins Mr T M P Donsworth Dr R Bushaway Mr J R Tanner
REGISTERED OFFICE:	The Mills Charity PO Box No 1703 Framlingham IP13 9WW
CHARITY NUMBER:	207259
REGULATOR OF SOCIAL HOUSING REGISTRATION NUMBER:	5122 Registered on: 4 February 2021
BANKERS:	Barclays Bank plc Leicester LE87 2BB CCLA Investment Management Ltd Senator House 85 Queen Victoria Street London EC4V 4ET
INDEPENDENT AUDITORS:	Ensors Accountants LLP Floor 3, Connexions 159 Princes Street Ipswich IP1 1QJ
SOLICITORS:	Birketts Providence House 141 – 145 Princes Street Ipswich IP1 1QJ
INVESTMENT ADVISORS:	Investec 30 Gresham Street London EC2V 7QN J M Finn 4 Coleman Street London EC2R 5TA Brewin Dolphin Fraser House 23 Museum Street Ipswich IP1 1HN

THE MILLS CHARITY FOR THE YEAR ENDED 31 JANUARY 2022

TRUSTEES ANNUAL REPORT

The Trustees present their Report for the year ended 31 January 2022.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with Charity's Scheme, the Charities Act 2011, the Statement of Recommended Practice "Accounting and Reporting by Charities", and FRS 102.

Governing document

The Charity was established to execute the will of Thomas Mills who died in 1703 and a formal scheme was registered with the Charity Commission dated 16 November 1915. Various amendments have taken place over the years, from 9 January 1981 to the latest dated 11 December 2020. The Mills Charity is an unincorporated association. The Charity Registration number is 207259 and its registered address is PO Box No 1703, Framlingham, Woodbridge, Suffolk, IP13 9WW.

Trustees

The Trustees during the year and their appointing body were as follows: -

Mr Nick Corke (Ceased 30 June 2021)	Framlingham Town Council
Mr Martin J Kelleway	Co-optative Trustee
Rev Mike Vipond	Co-optative Trustee
Dr Charles Wright (Ceased 14 March 2022)	Co-optative Trustee
Mrs Nicola Warner	Co-optative Trustee
Mrs Jane Blore	Co-optative Trustee
Mr James Robbins	Co-optative Trustee
Mr Timothy M P Donsworth	Co-optative Trustee
Mr James R Tanner (Appointed 14 June 2021)	Framlingham Town Council
Dr Ruth Bushaway (Appointed 14 March 2022)	Co-optative Trustee

Co-optative Trustees are appointed by the Board of Trustees with Nominative Trustees appointed by the respective bodies. The Nominative Trustees are appointed for a four-year period and the Co-optative Trustees for a five-year period. The Annual General Meeting is normally held in April, May or June. The Charity's advisors are set out on page 1.

When a vacancy occurs for a co-opted Trustee, the remaining Trustees seek to appoint an individual with skills and experience which they feel will be of benefit to the Charity. On appointment, new Trustees are given copies of the original Trust Deed and the latest Annual report and accounts. There is no formal induction and training programme, but individual Trustees may attend seminars to update themselves when they feel it necessary.

Aims and Organisation

The Charity's area of benefit is Framlingham and the surrounding area, where it is able to provide assistance for those in need, hardship, or distress, provide and maintain the Almshouses and more recently the Trustees may assist with other projects which are for the general benefit of the inhabitants of Framlingham and the surrounding area.

The Trustees are confident that the Charity's objectives described above are in accordance with the Charity Commission's general guidance on public benefit.

Review of Progress, Achievements, Investment Policy and Grant making policy

During the financial year to 2022, The Mills Charity helped in a variety of ways, the people and organisations in Framlingham and some of the contiguous parishes. This assistance included financial help to a number of people in need who had applied to the Charity for assistance, amounting during the year to £216 (2021: £250). Several organisations applied for assistance; generally, for improvements or repairs to existing facilities, for which grants for the year amounted to £5,698 (2021: £50,000). Trustees considered each application on its merits according to the terms of its Scheme and the Charities Commission guidance on public benefit, so not all requests were agreed.

THE MILLS CHARITY FOR THE YEAR ENDED 31 JANUARY 2022

TRUSTEES ANNUAL REPORT (Continued)

The risks involved with the Almshouses and tenanted properties are mitigated by the Trustees having adequate insurance, undergoing regular property reviews and a programme of repair work, as well as having a personal alarm system at the Almshouses.

There are no restrictions on the Charity's power to invest. Trustees consider the risk profile and the investment manager's view of the market prospects, with a view to ensuring capital appreciation of the fund exceeds inflation. Our strategy is reviewed with our investment managers annually.

Welcome to my first Chairman's report. Thank you to Nick Corke for his 12 years of service to the charity and for setting a high standard to follow. There have also been other changes to the Trustees governing the charity this year, with Charles Wright also stepping down after 15 years but with Dr Ruth Bushaway and James Tanner joining, the later as the Framlingham Town Council representative. In the office, our Manager, Karren Piper is joined by Gemma Yeats.

2021/22 has seen the country move through lockdowns and finally pull out of the pandemic. It is now normal to be seen out in public without a mask! It remains a challenging time for the wellbeing of our licensees' and other tenants with household expenditure, in particular energy, coming under inflationary pressure for the first time in many years.

2021/22 saw the Charity donate £5,915 to local causes and to individuals in need in our Community. Most school trips have been cancelled and delayed until summer 2022.

This year saw the completion of Mills Piece, in Badingham Road providing 6 new homes for young families in Framlingham. The Mills Charity is now a Registered Housing Provider and a member of the Housing Ombudsman, a position that holds us in good stead for future developments.

Our office in 24B Well Close Square, Framlingham now provides an efficient modern office with a drop-in centre for the licensees to speak to the team if they have a need to. All the charities properties are now in easy walking distance.

Following completion of the renovation works to 6 Station Road, the property is now income producing. Tomb House needs repairs and plans have been drawn up for some internal improvements subject to listed building consent. This work will be carried out in 2022/23.

2021/22 has been a consolidation year, Karren & Gemma are close to completing the Charity's policies and procedures documentation. 2022 will see the launch of the new charity logo and the website is to be rejuvenated to allow licensees and others access to documents, application forms and other charity information.

The Mills Charity is very much a team effort, and I would like to take this opportunity to thank my fellow Trustees for their support and help throughout the year. A special thank you goes to our Manager Karren Piper for showing me the ropes and all her hard work, against the odds.

Another challenging year but we are in a great place for the next leap.

Jane Blore, (Chairman)

THE MILLS CHARITY FOR THE YEAR ENDED 31 JANUARY 2022

TRUSTEES ANNUAL REPORT (Continued)

Financial review

The Charity holds investments and short-term deposits with a value of approximately £6,788,000 (2021: £5,390,000). During the year the investments produced an income of approximately £104,000 (2021: £96,000). The Mills Charity made contributions totaling £5,915 (2021: £50,250) to the local community in the form of donations to individuals and community groups.

Unrestricted Funds

The unrestricted fund had a value of £886,188 as at 31 January 2022, divided as follows:

Cyclical Maintenance Fund is a fund established for the regular maintenance and repair of the Almshouses and other property belonging to the Charity. The amount held within this reserve at the balance sheet date is £104,121.

Unrestricted Funds are held by the Trustees for the purposes of the Charity's aims and organisation as discussed above. The fund value has a value of £782,067 as at the balance sheet date.

Restricted Funds

The restricted fund had a value of £303,574 as at 31 January 2022, divided as follows:

Extraordinary Repair Fund, established to provide for the extraordinary repair, improvement or rebuilding of the Almshouses and other property belonging to the Charity. The amount held within this reserve at the balance sheet date was £290,411.

H M Turner Trust is a fund established by a bequest from the late Mr H M Turner, a former Chairman of the Trustees, the income from which is to be distributed amongst the residents of the Almshouses at Christmas each year.

A T Sheen Trust is a fund established by the late Mr A T Sheen, the income from which is to be distributed amongst the residents of the Almshouses at Easter each year. The amount held within this reserve and the H M Turner Trust at the balance sheet date is £202.

Framlingham Community Centre is a fund held by the Charity for use by any future plan to build a community centre after a failed project back in prior years. The amount held within this reserve at the balance sheet date is £12,961.

Endowment funds

This fund was established by original deed as a permanent endowment of which income is available for general charity purposes. The capital may not be spent without permission from the Charity Commission. The Trustees have committed to the refurbishment of the Almshouses in Framlingham from the annual surplus from general income. The amount held within this reserve at the balance sheet date is £8,583,644.

Reserves policy and going concern

Our balance sheet remains strong with net assets of £9,773,406 and the ownership of the Almshouses in Station Road and other various properties. The Trustees have reviewed the circumstances of the Mills Charity and consider that adequate resources continue to be available to fund the activities for the foreseeable future. The Trustees are of the view that the charity is a going concern. The unrestricted free funds stand at £172,000, at the year end, which is sufficient funds to cover 6 months of rental expenditure, assuming no further rental income was received in this time. We therefore consider this to be a sufficient amount of free funds to support the Charity.

Due to the Charity's funding status the Trustees do not consider it necessary to have a formal policy on holding reserves.

**THE MILLS CHARITY
FOR THE YEAR ENDED 31 JANUARY 2022**

TRUSTEES ANNUAL REPORT (Continued)

Fundraising activities

The Charity did not undertake fundraising activities during the year. Income was mainly generated through donations that amounted to £300,000, of which £300,000 was endowment. The remainder of the Charity's income was derived mainly from charitable activities of £202,000, which included investment income of £104k.

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the accounts in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Law applicable to charities in England and Wales requires the Trustees to prepare Financial Statements for each financial year which give a true and fair view of the Charity's financial activities during the year and of its financial position at the year-end being 31 January 2022.

In preparing those Financial Statements the Trustees are required to:

- a) select suitable accounting policies and then apply them consistently;
- b) observe the methods and principles in the Charities SORP
- c) make judgements and estimates that are reasonable and prudent;
- d) state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the accounts; and
- e) prepare the accounts on the going concern basis unless it is inappropriate to assume that the Charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy the financial position of the Charity and which enable them to ensure that the Financial Statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations and provisions of the Charity's Scheme. They are also responsible for safeguarding the assets of the Charity 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 Charity's auditors are unaware, and
- the Trustees have taken all steps 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.

Auditors

A resolution will be proposed at the Annual General Meeting that Ensors Accountants LLP be re-appointed as auditors to the charity for the ensuing year.



Mrs Jane Blore, (Chairman)
(On Behalf of the Trustees)

Dated.....15/19/22.....

**THE MILLS CHARITY
FOR THE YEAR ENDED 31 JANUARY 2022**

INDEPENDENT AUDITORS REPORT TO THE TRUSTEES OF THE MILLS CHARITY

Opinion

We have audited the financial statements of the Mills Charity for the year ended 31 January 2022 which comprise the Balance Sheet, the Statement of Financial Activities, the Statement of Cash Flows and the 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, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 January 2022 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 Charities Act 2011.

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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity 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 charity'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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

**THE MILLS CHARITY
FOR THE YEAR ENDED 31 JANUARY 2022**

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE MILLS CHARITY (Continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' Report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; 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 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 Charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 an auditor's report 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.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the charity operates in and how the charity is complying with the legal and regulatory framework;
- enquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known, actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws or regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.
- assessment of key accounting estimates within the financial statements in order to assess their reasonableness to determine whether there is any bias in the estimates.
- review of meeting minutes of Trustees.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**THE MILLS CHARITY
FOR THE YEAR ENDED 31 JANUARY 2022**

Use of our report

This report is made solely to the Charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the trustees 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 Charity and its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



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Ensors Accountants LLP
Chartered Accountants & Statutory Auditor
Connexions
159 Princes Street
Ipswich
Suffolk
IP1 1QJ

Dated: 15/09/2022

**THE MILLS CHARITY
FOR THE YEAR ENDED 31 JANUARY 2022**

BALANCE SHEET

	Note	Total Funds 2022 £	Total Funds 2021 £
Fixed Assets			
Tangible assets			
Freehold land & buildings	8	3,523,281	3,295,628
Plant & equipment	8	868	319
Investments	7	5,960,426	4,959,942
		<u>9,484,575</u>	<u>8,255,889</u>
Current Assets			
Debtors	9	20,302	19,931
Cash in bank and in hand			
Bank accounts		298,779	431,767
		<u>319,081</u>	<u>451,698</u>
Current Liabilities	10	30,250	128,069
Net Current Assets		<u>288,831</u>	<u>323,629</u>
Total Assets less Current Liabilities		<u>9,773,406</u>	<u>8,579,518</u>
The Funds of the Charity			
Endowment funds	13	8,583,644	7,418,121
Restricted funds	14	303,574	268,469
Unrestricted funds	16	886,188	892,928
		<u>9,773,406</u>	<u>8,579,518</u>

The notes on pages 14 to 25 form part of these accounts.

Approved by the Trustees on 15/9/22 and signed on their behalf by:


Mrs Jane Blore (Chairman)


Mr Martin J Kelleway

**THE MILLS CHARITY
FOR THE YEAR ENDED 31 JANUARY 2022**

STATEMENT OF FINANCIAL ACTIVITIES

	Note	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2022	Total Funds 2021
		£	£	£	£	£
Income and endowments from						
Investments	18	103,716	367	-	104,083	95,960
Charitable activities						
Rents & wayleaves		201,735	-	-	201,735	161,169
Grants		-	-	300,000	300,000	-
Total Income		305,451	367	300,000	605,818	257,129
Expenditure on						
Raising funds						
Investment management		-	-	31,002	31,002	29,416
Charitable activities						
Almshouses	19	105,895	400	-	106,295	66,955
Let property expenses	19	191,055	-	-	191,055	87,533
Grants - relief in need	22	4,014	-	-	4,014	12,734
Grants - general benefit	20	9,492	-	-	9,492	62,485
Total expenditure		310,456	400	31,002	341,858	259,123
Operating surplus		(5,005)	(33)	268,998	263,960	(1,994)
Net gains & (losses) on investments:						
Realised		-	-	66,401	66,401	(80,454)
Unrealised		-	35,112	203,415	238,527	129,037
Gains on revaluation of assets		-	-	625,000	625,000	-
Net Income		(5,005)	35,079	1,163,814	1,193,888	46,589
Transfers between funds		(1,735)	26	1,709	-	-
Net movement in funds		(6,740)	35,105	1,165,523	1,193,888	46,589
Reconciliation of funds:						
Total funds brought forward		892,928	268,469	7,418,121	8,579,518	8,532,929
Total funds carried forward	17	886,188	303,574	8,583,644	9,773,406	8,579,518

The notes on page 14 to 24 form part of these accounts.

Approved by the Trustees on 15/9/22 and signed on their behalf by:


Mrs Jane Blore (Chairman)


Mr Martin J Kelleway

**THE MILLS CHARITY
FOR THE YEAR ENDED 31 JANUARY 2022**

STATEMENT OF CASHFLOWS

	Note	2022 £	2021 £
Cash flows from operating activities	23	63,181	17,319
Cash flow from investing activities			
Investment income		104,083	95,960
Fixed asset additions		(228,955)	(763,286)
Purchases and sale of investments		28,703	21,652
Movement between investments and cash and cash equivalents		(100,000)	181,657
		(196,169)	(464,017)
Decrease in cash and cash equivalents		(132,988)	(446,698)
Cash and cash equivalents at beginning of the year		431,767	878,465
Cash and cash equivalents at end of the year		298,779	431,767

**THE MILLS CHARITY
FOR THE YEAR ENDED 31 JANUARY 2022**

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and in the preceding year.

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 (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The Mills Charity meets the definition of a public benefit entity under FRS 102.

a) Basis of preparation and assessment of going concern

These financial statements have been prepared under the historical cost convention except that investment assets are carried at market value. The currency of the accounts is the pound and the figures shown have been rounded to the nearest pound.

The Charity has prepared its financial statements in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with FRS 102, in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has since been withdrawn.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view' as described above.

The Trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

b) Fund accounting

- Unrestricted funds are available for use at the discretion of the Trustees in the furtherance of the general objectives of the Charity.
- Designated funds are unrestricted funds earmarked for particular purposes (as detailed in note 14).
- Restricted funds are subject to restrictions on their expenditure imposed by the donor or through the terms of an appeal (as detailed in note 12).
- Endowment fund was established by original deed as a permanent endowment of which income is available for general charity purposes. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and advice relating to the fund are charged against the fund.

c) Income

All incoming resources are included in the statement of financial activities when receipt is probable and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Voluntary income received by way of donations, grants and gifts is included in full in the Statement of Financial Activities when receivable at fair value, except insofar as they are incapable of financial measurement;
- Investment income is included when receivable; and
- Incoming resources from charitable activities are accounted for when earned.

**THE MILLS CHARITY
FOR THE YEAR ENDED 31 JANUARY 2022**

NOTES TO THE ACCOUNTS CONTINUED

1. ACCOUNTING POLICIES CONTINUED....

d) Resources expended

Liabilities and expenditure are included on an accruals basis and are recognised when there is a legal or constructive obligation to pay. Grants expended in the year are charged in the same manner, grants offered at the balance sheet date are noted as commitments where there is no obligation to pay. Liabilities and expenditure include VAT which the Charity is unable to recover, and is reported as part of the expenditure to which it relates. Most costs are directly attributed to the relevant category of resources expended in the Statement of Financial Activities. Charitable activities costs include costs of preparation and audit of statutory accounts, the costs of Trustee meetings and cost of any legal advice to Trustees on governance or constitutional matters.

e) 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.

f) Creditors

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 recognised at their settlement amount after allowing any trade discounts.

g) Fixed assets, Investment properties and Investments

Freehold Land and Buildings are let out to further the Charity's own purposes by providing accommodation to the Charity's beneficiaries and are classified as fixed assets accordingly. They are initially measured at cost and subsequently at cost less impairment. The Charity undertakes an ongoing programme of renovation such that depreciation is not considered to be material.

Assets costing more than £500 are capitalised.

Plant & equipment comprises of computer equipment and is depreciated at a rate of 1/3rd per annum on a straight-line basis.

Investment Property held as fixed assets is stated at market value at the balance sheet date with any gain or loss taken to the statement of financial activities in the underlying fund. Investment property will be re-valued on a rolling five-year basis. Investments held as fixed assets are revalued at mid-market value at the balance sheet date and the gain or loss taken to the statement of financial activities in the underlying fund.

Investments are classified as fixed asset investments when the Charity does not expect to realise them within 12 months of the balance sheet date.

The Charity holds investments with stockbrokers which are initially recognised at transaction value and subsequently measured at the year end at market value.

h) Financial Instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the balance sheet when the charity becomes party to the contractual provisions of the instrument.

**THE MILLS CHARITY
FOR THE YEAR ENDED 31 JANUARY 2022**

ACCOUNTING POLICIES CONTINUED....

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic Financial Assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of Financial Liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Basic Financial Liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group undertakings and preference shares that are classified as debt, are initially recorded at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are initially recognised at transaction price and subsequently measured at amortised cost using the effective interest method.

Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

2. Judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is calculated based on the estimated useful lives and residual values of the tangible assets. To ensure the depreciation charge remains appropriate the useful lives and residual values are reviewed annually.

**THE MILLS CHARITY
FOR THE YEAR ENDED 31 JANUARY 2022**

Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

Valuation of investments

We are placing reliance on the expert for the estimates and judgements in the valuation of quoted investments values provided by investment managers at market value and also for valuation of Investment properties by Chartered Surveyors.

3. Trustee remuneration & related party transactions

No Trustee or other person related to the Charity had any personal interest in any contract or transaction entered into by the Charity during the year (2021 – £nil). In the period £nil (2021: £nil) was donated to The Mills Educational Foundation. This Charity has the same Trustees as The Mills Charity.

4. Taxation

As a Charity, The Mills Charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or s256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the Charity.

5. Fees for audit of the accounts

	2022 £	2021 £
Auditors fee for reporting on the accounts and provision of services	12,486	10,800

6. Employees

During the current year the Charity paid one full time Clerk (2021: 1) for the Charity and two ad hoc employees (2021: 1), the gross salaries for this amounted to £33,281 (2021: £27,833) and Employers National Insurance Contributions amounted to £nil (2021: £nil) with employer pension contributions of £916 (2021: £835).

7. Fixed asset investments

Total fixed asset investments comprise £4,980,426 (2021: £4,604,942) of financial assets and £980,000 (2021: £355,000) of property investments.

	2022 £	2021 £
a) Movement in fixed asset investments		
Market value at 1 February 2021	4,604,942	4,765,363
(Loss) / Profit on disposal of investments	66,401	(80,454)
Change in year end market value	238,528	129,037
Fees	(31,002)	(29,417)
Money invested	1,557	2,070
Transferred	100,000	(181,657)
	<hr/>	<hr/>
Market value as at 31 January 2022	4,980,426	4,604,942
	<hr/>	<hr/>

**THE MILLS CHARITY
FOR THE YEAR ENDED 31 JANUARY 2022**

b) Investments at market value comprised:

Equities	4,261,624	3,626,364
Fixed interest securities	631,007	879,978
Cash	87,795	98,600
	<hr/>	<hr/>
Market value as at 31 January 2022	4,980,426	4,604,942
	<hr/>	<hr/>

The Charity, as at the balance sheet date, has no deposits which are due to mature within the next 12 months (2021: Nil).

Stock exchange investments comprise	2022 £	2021 £
c) Holding of more than 5% of total investments:		
COIF Charities Investment Fund	290,412	255,299
UK	1,327,569	1,357,475
North America	841,907	530,021
Other international	654,089	563,371
Other alternative assets	529,075	366,432
	<hr/>	<hr/>
	3,643,052	3,072,598
	<hr/>	<hr/>
d) Property investments		
Market value brought forward	355,000	355,000
Transfer from Freehold Land and buildings (1 building)	-	-
Revaluation of transferred land and building – Gain	625,000	-
	<hr/>	<hr/>
Market value carried forward	980,000	355,000
	<hr/>	<hr/>

The investment properties brought forward consist of 2 properties. These properties were valued January 2022 by Clarke & Simpson on an open market basis and have been adjusted in line with the revaluation policy. On an historical cost basis these would have been included at an original cost of £175,536. During the year, 1 further property was transferred to investment property from land and buildings. The property has been revalued at open market value and the historical cost of this property was nil. The property was transferred as it is now let out at an open market value by the Charity.

**THE MILLS CHARITY
FOR THE YEAR ENDED 31 JANUARY 2022**

8. Tangible Fixed Assets

	Land & Buildings £	Plant & Equipment £	Total £
Cost			
At 1 February 2021	3,295,628	1,340	3,296,968
Additions	227,653	1,301	228,954
Disposals	-	-	-
At 31 January 2022	<u>3,523,281</u>	<u>2,641</u>	<u>3,525,922</u>
Depreciation			
At 1 February 2021	-	1,021	1,021
Charge for the year	-	752	752
Depreciation on disposal	-	-	-
At 31 January 2022	<u>-</u>	<u>1,773</u>	<u>1,773</u>
Net book values			
At 31 January 2021	<u>3,295,628</u>	<u>319</u>	<u>3,295,947</u>
At 31 January 2022	<u>3,523,281</u>	<u>868</u>	<u>3,524,149</u>

9. Debtors

	2022 £	2021 £
Investment income	13,652	13,129
Prepayments	6,125	6,802
Loan - MEF	525	-
	<u>20,302</u>	<u>19,931</u>

10. Creditors

Creditors and accruals	21,208	123,763
Rental deposits	8,362	3,587
PAYE and NIC	680	719
	<u>30,250</u>	<u>128,069</u>

11. Pensions

Employees are automatically enrolled into a multi-employer, defined contribution occupational pension scheme with People Pension, unless they exercise their right to opt-out of the scheme membership. The Mills Charity makes a 3% contribution to the pension scheme. The employer's contribution is charged to the Statement of Financial Activities in the period in which the salary to which the pension relates is due.

12. Commitments

At the Balance Sheet date, the Charity did not have any grant commitments which were not provided for within the accounts. (2021: £nil commitment).

**THE MILLS CHARITY
FOR THE YEAR ENDED 31 JANUARY 2022**

13. Endowment Funds

The Mills Charity Endowment Fund was established in 1703 as a Permanent Endowment for the benefit of the local community. The H M Turner and A T Sheen funds are expendable endowments which were received later, and the Trustees have resolved that the income from these funds should follow the donor's wishes to support the residents of the Almshouses. The funds are represented by tangible fixed assets and investments.

	Mills Charity	H M Turner	A T Sheen	2022	2021
	£	£	£	£	£
Balance at 1 February 2021	7,400,856	17,015	250	7,418,121	7,414,113
Income	300,000	-	-	300,000	-
Management fees	(30,867)	(135)	-	(31,002)	(29,416)
Reinvested income	1,709	-	-	1,709	2,129
Gains & investments					
-Realised	66,401	-	-	66,401	(80,454)
Gains on revaluation of assets	625,000	-	-	625,000	-
-Change in year end market value	201,866	1,549	-	203,415	111,749
Balance at 31 January 2022	8,564,965	18,429	250	8,583,644	7,418,121

14. Restricted funds – Income funds

	Framlingham Community Centre	Turner/ Sheen Income	Extraordinary Repair Fund	2022	2021
	£	£	£	£	£
Balance at 1 February 2021	12,935	235	255,299	268,469	251,199
Income	26	367	-	393	382
Additions in the year	-	-	-	-	-
Expenditure	-	(400)	-	(400)	(400)
Change in market value	-	-	35,112	35,112	17,288
Balance at 31 January 2022	12,961	202	290,411	303,574	268,469

The Extraordinary Repair Funds are required under the Charity's Scheme and transfers must be made each year from the income resources of the Charity. The funds are maintained at a relatively high level in case major repairs are required.

**THE MILLS CHARITY
FOR THE YEAR ENDED 31 JANUARY 2022**

15. Designated Funds – Income funds

	2022 £	2021 £
Cyclical maintenance fund		
Balance at 1 February 2021	102,955	101,791
Funds introduced	960	960
Interest allocation from unrestricted funds	206	204
Balance at 31 January 2022	<u>104,121</u>	<u>102,955</u>

The Cyclical Maintenance Funds comprise funds set aside for cyclical repairs at the Almshouses and other properties owned by the Charity.

16. Unrestricted funds

	Designated Fund £	Unrestricted Funds £	Total Funds 2022 £	Total Funds 2021 £
Balance at 1 February 2021	102,955	789,973	892,928	867,617
Income	-	305,451	305,451	256,773
Allocation in year	1,166	(1,166)	-	-
Fund transfer	-	(1,735)	(1,735)	(2,155)
Expenditure	-	(310,456)	(310,456)	(229,307)
Balance at 31 January 2022	<u>104,121</u>	<u>782,067</u>	<u>886,188</u>	<u>892,928</u>

17. Analysis of net assets between funds

	Designated Funds £	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2022 £	Total Funds 2021 £
Freehold land and buildings	-	609,282	-	2,913,999	3,523,281	3,295,628
Plant and equipment	-	868	-	-	868	319
Investment assets	-	370	290,411	5,669,645	5,960,426	4,959,942
Current assets	104,121	201,797	13,163	-	319,081	451,698
Current liabilities	-	(30,250)	-	-	(30,250)	(128,069)
	<u>104,121</u>	<u>782,067</u>	<u>303,574</u>	<u>8,583,644</u>	<u>9,773,406</u>	<u>8,579,518</u>

**THE MILLS CHARITY
FOR THE YEAR ENDED 31 JANUARY 2022**

18. Investment income	2022 £	2021 £
Dividends UK Equities	63,623	53,079
Interest UK Fixed Interest Securities	5,429	9,746
Interest UK Unit Trusts	8,563	5,654
Overseas Securities - Dividends	10,006	9,190
Overseas Securities – Interest	5,652	5,460
Overseas Securities – Unit Trusts	814	707
Interest on Deposits	42	2,218
Dividends UK Unit Trusts	7,860	8,426
Dividends Real Estate Investment Trust	1,012	803
Excess income funds	585	677
Accrued interest	497	-
	<hr/>	<hr/>
	104,083	95,960
	<hr/>	<hr/>
19. Resources expended		
Payments re Almshouses:		
Attendants salary	-	-
Rates, electricity, gas & water	10,319	6,145
Gardener	4,006	1,448
Insurance	3,091	3,505
Repairs & maintenance & alarms	28,682	30,094
Subscriptions	-	355
Christmas dinner and sundries	-	38
Donations - Turner/ Sheen distribution	400	400
Governance and support costs (note 21)	59,797	24,970
	<hr/>	<hr/>
	106,295	66,955
	<hr/>	<hr/>
Let Property:		
Insurance	1,947	2,292
General maintenance and property costs	174,527	51,276
Rates and electric	1,249	1,915
Professional fees	4,788	5,142
Gardener	-	1,938
Governance and support costs (note 21)	8,544	24,970
	<hr/>	<hr/>
	191,055	87,533
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**THE MILLS CHARITY
FOR THE YEAR ENDED 31 JANUARY 2022**

20. Grants - General Benefit

	2022 £	2021 £
Framlingham Area Youth Action Plan	-	10,000
FabLab Appeal	-	30,000
Framlingham Hour Community Project	50	10,000
Framlingham Primary School	5,000	-
Badingham Play School	648	-
Governance and support costs (note 21)	3,794	12,485
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	9,492	62,485
	<hr/>	<hr/>

21. Management and administration – Support and governance costs

	Alms houses £	Let property £	Relief in need £	General benefit £	2022 Total £	2021 Total £
Office costs	12,702	1,815	807	806	16,130	6,212
Staff costs	26,930	3,847	1,710	1,710	34,197	29,022
Travelling	123	18	8	7	156	-
Auditors' fee	9,833	1,405	624	624	12,486	10,800
Bookkeeping, payroll fee and other	2,671	382	170	169	3,392	6,854
Bank charges	138	20	9	8	175	240
Insurance	1,871	267	119	119	2,376	575
Professional fees	2,863	409	182	181	3,635	20,386
Sundry expenses	2,074	296	132	132	2,634	820
Depreciation of equipment	592	85	37	38	752	318
Profit/(loss) on disposal	-	-	-	-	-	(318)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	59,797	8,544	3,798	3,794	75,933	74,909
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>No. of properties</i>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	28	4	-	-	32	26

The basis of allocation of the above governance and support costs were 90% allocated to alms houses and let property based on the number of dwellings and 5% to each of the grants for relief in need and general benefit.

(For the previous year 2021: The basis of allocation of the above governance and support costs were 1/3rd to each of the Almshouses and let property with 1/6th being allocated to each of the grants for relief in need and general benefit)

22. Grants - relief in need

	2022 £	2021 £
Grants - relief in need	216	250
Governance and support costs (note 21)	3,798	12,484
	<hr/>	<hr/>
	4,014	12,734
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**THE MILLS CHARITY
FOR THE YEAR ENDED 31 JANUARY 2022**

23. Cash flow from operating activities

	2022 £	2021 £
Net movements in funds	1,193,888	46,589
Depreciation	752	318
(Profit)/ loss on disposal	-	(319)
Market value movements	(304,928)	(48,583)
Investment income	(104,083)	(95,960)
Gains on revalued assets	(625,000)	-
	<hr/>	<hr/>
	160,629	(97,955)
Increase in debtors	371	3,325
Increase/ (decrease) in creditors	(97,819)	111,949
	<hr/>	<hr/>
Net generated used in operating activities	63,181	17,319
	<hr/>	<hr/>

**THE MILLS CHARITY
FOR THE YEAR ENDED 31 JANUARY 2022**

STATEMENT OF FINANCIAL ACTIVITIES (PRIOR YEAR)

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2021	Total Funds 2020
	£	£	£	£	£
Income and endowments from					
Investments	95,604	356	-	95,960	119,232
Other					
Rents & wayleaves	161,169	-	-	161,169	156,355
Donations and legacies	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Income	256,773	356	-	257,129	275,587
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Expenditure on					
Raising funds					
Investment management	-	-	29,416	29,416	30,470
Charitable activities					
Almshouses	66,555	400	-	66,955	114,376
Let property expenses	87,533	-	-	87,533	228,235
Grants - relief in need	12,734	-	-	12,734	13,257
Grants - general benefit	62,485	-	-	62,485	41,781
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditure	229,307	400	29,416	259,123	428,119
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net gains & (losses) on investments:					
Realised	-	-	(80,454)	(80,454)	(1,307)
Unrealised	-	17,288	111,749	129,037	367,335
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net Income	27,466	17,244	1,879	46,589	213,496
Transfers between funds	(2,155)	26	2,129	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net movement in funds	25,311	17,270	4,008	46,589	213,496
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Reconciliation of funds:					
Total funds brought forward	867,617	251,199	7,414,113	8,532,929	8,319,433
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total funds carried forward	892,928	268,469	7,418,121	8,579,518	8,532,929
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>