

WILLIAM JOHN MILLS COTTAGES TRUST
FINANCIAL STATEMENTS
YEAR ENDED 5 APRIL 2021

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WILLIAM JOHN MILLS COTTAGES TRUST
REFERENCE AND ADMINISTRATION DETAILS

Registered charity number	275488
Charity's principal address	The Community Room Mills St St Day Redruth TR16 5LL
Trustees	Mrs E A Wilson - Chair Mr P Barker - Treasurer Mrs S Burley - Vice Chair Mr S Edwards Mr K Goldsworthy Mr C Wilson
Clerk to the trustees	Ms C Freeman Mrs K Atherton
Independent examiner	Mrs M Hutchings Aspen Waite South West Chartered Accountants 21 Bampton Street Tiverton Devon EX16 6AA
Bankers	CAF Bank Ltd Kings Mill West Malling Kent ME19 4TA Barclays Bank plc Truro Cornwall Virgin Money Jubilee House Gosforth Newcastle upon Tyne NE3 4XS United Trust Bank 80 Haymarket London SW1Y 4TE Hampshire Trust Bank 55 Bishopsgate London EC2N 3AS
Solicitors	Stephens Scown LLP 3 Cross Lane St Austell Cornwall PL25 4AX

WILLIAM JOHN MILLS COTTAGES TRUST
REPORT OF THE TRUSTEES

The Trustees present their report and the financial statements of the charity for the year ended 5 April 2021. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) “Accounting and Reporting by Charities” (FRS 102) in preparing the annual report and financial statements of the charity.

OBJECTIVES AND ACTIVITIES

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

To provide accommodation for occupation by deserving poor persons being residents of, or former residents of, the former District of Kerrier in the County of Cornwall.

Summary of the main activities in relation to these objectives

Provided 42 units of accommodation throughout the year.

The trustees have had regard to the Charity Commission guidance on public benefit and believe this is achieved via the charity's objectives and activities.

ACHIEVEMENTS AND PERFORMANCE

Summary of the main achievements of the charity during the year

Despite the pandemic, the last financial year proved one of the busiest in the Trust's recent history which was compounded by new legislations forcing us to have electrical and energy certificates issued across virtually the whole estate of 42 properties. Following a fire risk assessment, we also needed to undertake significant safety work including access arrangements and fire doors in some properties.

In terms of major works, one of our properties required to be gutted and totally refurbished following the passing of one resident who had been in occupation for 11 years. Extensive works were also required in 4 further properties following the passing of their respective residents; none of these 5 is understood to be Covid-related. Two more properties required more modest work following the relocation of their residents.

Ongoing maintenance has continued across the estate covering a wide range of issues including windows, locks and thresholds. Various outside maintenance was also required including fence and shed repairs and pressure washing of gardens and walkways. Problems have persisted with plumbing and heating, some of which we hope to solve by installing instantaneous water heaters.

Positive input ventilation systems have been installed in a couple of properties to overcome issues with damp and condensation. Meanwhile, an inspection of the ventilation system in Mills Gardens revealed major defects in the installation which is requiring a major piece of refurbishment.

Finally, we took to overhaul the Community Room car park both to make the area more attractive and also to reduce fly tipping which has become an increasing problem.

FINANCIAL REVIEW

Net income for the year (before revaluation) was £25,278 as compared to £13,637 for the previous year. Although there has been an increase in property repairs and improvements, the overall increase reflects the increase in rents receivable following the revision of the weekly maintenance contributions.

Brief summary of the charity's policy on reserves

£50000 held to cover unforeseen repairs. Balance held to provide more suitable property for our less able residents and to increase housing stock.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Type of governing document	Trust Deed
How the charity is constituted	Trust
Trustee selection method	Appointed by existing Trustees

Trustees' consideration of risks

The trustees have examined the major strategic business and operational risks which the trust faces and confirm that systems have been established to lessen those risks.

Relationship between charity and related parties

The trustees of this trust are also the same as those for W J Mills Grant Fund (charity number 1120627).

WILLIAM JOHN MILLS COTTAGES TRUST
REPORT OF THE TRUSTEES
(CONTINUED)

TRUSTEES RESPONSIBILITIES

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, The Charity (Accounts Reports) Regulations 2008 and the provisions of the trust deed. 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.

This report was approved by the board on..... and signed on their behalf by:

.....
Mrs E A Wilson
Chair

INDEPENDENT EXAMINER'S REPORT
TO THE TRUSTEES OF WILLIAM JOHN MILLS COTTAGES TRUST

I report to the charity trustees on my examination of the accounts of the charity for the year ended 5 April 2021 which are set out on pages 5 to 10.

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 charity's accounts carried out under section 145 of the 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

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

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the accounts do not accord with those records; or

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.

Mrs M Hutchings
Aspen Waite South West
21 Bampton Street
Tiverton
Devon EX16 6AA

Date:

WILLIAM JOHN MILLS COTTAGES TRUST
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 5 APRIL 2021

	Notes	<u>Unrestricted</u> <u>funds</u>	<u>Endowment</u> <u>fund</u>	<u>Total 2021</u>	<u>Total 2020</u>
		£	£	£	£
Income					
Charitable activities					
Rents receivable		220,296	-	220,296	191,044
Investment income					
Bank interest		2,110	-	2,110	2,986
Other income		3	-	3	3
Total income		<u>222,409</u>	<u>-</u>	<u>222,409</u>	<u>194,033</u>
Expenditure	8				
Charitable activities		159,567		159,567	144,962
Other		37,564		37,564	35,434
Total expenditure		<u>197,131</u>	<u>-</u>	<u>197,131</u>	<u>180,396</u>
Net income for the year		25,278	-	25,278	13,637
Revaluation of tangible fixed assets		<u>45,067</u>	<u>107,222</u>	<u>152,289</u>	<u>240,537</u>
Net movement in funds		70,345	107,222	177,567	254,174
Balance brought forward		<u>2,139,611</u>	<u>4,873,653</u>	<u>7,013,264</u>	<u>6,759,090</u>
Balance carried forward		<u><u>2,209,956</u></u>	<u><u>4,980,875</u></u>	<u><u>7,190,831</u></u>	<u><u>7,013,264</u></u>

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WILLIAM JOHN MILLS COTTAGES TRUST
BALANCE SHEET
5 APRIL 2021

	<u>Note</u>	<u>2021</u>	<u>2020</u>
		£	£
Investments			
W J Mills (Property) Ltd	2	2	2
Fixed assets			
Tangible fixed assets	3	7,074,447	6,922,158
Current assets			
Debtors	4	48,011	46,044
Cash at bank and in hand		<u>250,442</u>	<u>242,220</u>
		298,453	288,264
Creditors : Amounts due within one year	5	<u>22,316</u>	<u>18,725</u>
Net current assets		<u>276,137</u>	<u>269,539</u>
		7,350,586	7,191,699
Creditors : Amounts due after one year	6	<u>159,755</u>	<u>178,435</u>
Net assets		<u>7,190,831</u>	<u>7,013,264</u>
Capital funds			
Endowments		4,980,875	4,873,653
Income funds			
Unrestricted funds		<u>2,209,956</u>	<u>2,139,611</u>
		<u>7,190,831</u>	<u>7,013,264</u>

The financial statements were approved and authorised for issue by the trustees on.....

and signed on their behalf by:

.....
Mrs E A Wilson - Chair

.....
Mrs S Burley - Vice-Chair

The notes on pages 7 to 10 form part of these financial statements

WILLIAM JOHN MILLS COTTAGES TRUST
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 5 APRIL 2021

1. Summary of significant accounting policies

(a) General information and basis of preparation

William John Mills Cottages Trust is a charitable trust. The Trust is a registered charity in England within the United Kingdom.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 (as updated through Update Bulletin 1 published on 2 February 2016), the Charities Act 2011 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

(b) Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).

(c) Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Expenditure on charitable activities; and
- Other expenditure

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

(d) Tangible fixed assets

Freehold land and buildings are stated at fair value.

Other sundry fixed assets are included in the SoFA in the year of purchase.

WILLIAM JOHN MILLS COTTAGES TRUST
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 5 APRIL 2021

(e) Investments

Investments in subsidiaries are measured at cost less impairment.

(f) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

(g) Cash

Cash and cash equivalents 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, and bank overdrafts.

(h) Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Endowment funds represent those assets which must be held permanently by the charity, principally freehold property in St Day. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the fund.

(i) Going concern

Following the global impact of 'COVID-19', at the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

2. Investments in Subsidiary

100% holding of W J Mills (Property) Ltd which was incorporated on 25 November 2019. Its Company number is 12331192. The company's first accounts will cover the period ended 5 April 2021.

3. Tangible fixed assets

	<u>Freehold land and buildings</u> £
Valuation	
At 6 April 2020	6,922,158
Increase in valuation	152,289
At 5 April 2021	<u>7,074,447</u>
Depreciation	
At 6 April 2020	-
Charge for the year	-
At 5 April 2021	<u>-</u>
Net book value	
At 5 April 2021	<u>7,074,447</u>
At 6 April 2020	<u>6,922,158</u>

In the absence of an external valuation, for which costs have to be incurred, the best available information is represented by reinstatement values adopted for insurance purposes totalling £7,074,447 (2020 £6,922,158) in respect of the freehold properties excluding land values.

If freehold land and buildings had not been revalued in previous years, it would have been included on the historical cost basis of £1,567,457.

4. Debtors

	<u>2021</u> £	<u>2020</u> £
Amounts owed by associated undertakings	46,430	44,218
Prepayments	1,581	1,826
	<u>48,011</u>	<u>46,044</u>

THE WILLIAM JOHN MILLS COTTAGES TRUST
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 5 APRIL 2021

5. Creditors: Amounts falling due within one year

	<u>2021</u>	<u>2020</u>
	£	£
Other creditors	4,799	2,372
Loan	17,517	16,353
	<u>22,316</u>	<u>18,725</u>

6. Creditors: Amounts falling due after one year

	<u>2021</u>	<u>2020</u>
	£	£
Loan	<u>159,755</u>	<u>178,435</u>

The total amount of the loan from The Charity Bank Ltd outstanding at 5 April 2021 is £177,272 (2020: £194,788). This amount does not include interest which is due on the outstanding balance.

7. Analysis of net assets between funds

	<u>Unrestricted</u>	<u>Endowment</u>	
	<u>funds</u>	<u>funds</u>	<u>Total funds</u>
	£	£	£
Fund balances at 5 April 2021			
are represented by			
Investments	2		2
Tangible fixed assets	2,093,572	4,980,875	7,074,447
Current assets	298,453		298,453
Liabilities	(182,071)		(182,071)
	<u>2,209,956</u>	<u>4,980,875</u>	<u>7,190,831</u>

8. Expenditure - unrestricted funds

	<u>Grants</u>	<u>Property</u>			
	<u>and</u>	<u>running and</u>			
	<u>donations</u>	<u>maintenanc</u>	<u>Other</u>	<u>Total 2021</u>	<u>Total 2020</u>
	£	£	£	£	£
Gifts and donations to residents	1,623			1,623	1,520
Clerks wages			15,765	15,765	11,216
Trustees travel expenses			826	826	1,020
Administrative costs			2,094	2,094	3,364
Bookkeeping			-	-	77
Accountancy			488	488	540
Independent examination			831	831	919
Other professional fees			2,460	2,460	4,575
Trustees indemnity insurance			381	381	381
Property insurance		4,695		4,695	4,755
Heat, light , water and rates		26,869		26,869	33,667
Caretaker and gardening		1,823		1,823	2,844
Property repairs and improvements		124,557		124,557	102,176
Bank charges			69	69	60
Loan arrangement fee			2,497	2,497	-
Loan interest paid			12,153	12,153	13,282
	<u>1,623</u>	<u>157,944</u>	<u>37,564</u>	<u>197,131</u>	<u>180,396</u>

THE WILLIAM JOHN MILLS COTTAGES TRUST
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 5 APRIL 2021

9. Wages and salaries

	<u>2021</u>	<u>2020</u>
	£	£
Wages	<u>15,765</u>	<u>11,216</u>
Average number of staff	<u>2</u>	<u>2</u>

There were no employees with emoluments in excess of £60000.

10. Trustees remuneration and expenses

	<u>2021</u>	<u>2020</u>
	£	£
Trustees remuneration	NIL	NIL
Trustees expenses	<u>826</u>	<u>1,020</u>

Trustees expenses mainly relate to travel costs and were claimed by 2 (2020: 2) trustee.

11. Related party transactions

As at 5 April 2021 W J Mills (Property) Ltd owed the Trust £46,430 (2020: £44,218). Trustees Mr K Goldsworthy and Mr S Edwards are also directors of W J Mills (Property) Ltd.