

WILLIAM JOHN MILLS COTTAGES TRUST
FINANCIAL STATEMENTS
YEAR ENDED 5 APRIL 2023

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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 Wilson - Chair Mr P Barker - Treasurer Mrs S Burley - Vice Chair Mr S Edwards (Resigned June 2022) Mr K Goldsworthy Mr C Wilson Mrs D Birrell (Appointed June 2022)
Clerks to the trustees	Ms C Freeman (Resigned October 2022) Mrs K Atherton (Resigned December 2022) Mrs J Whybrow Ms L Williams (Appointed November 2022)
Independent examiner	Mrs M Hutchings Apsleys LLP Chartered Accountants 21 Bampton Street Tiverton Devon EX16 6AA
Bankers	CAF Bank Ltd Kings Mill West Mallng 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 2023. 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

The origins of the Trust go back to the 1930s when its founder bought a street of 28 former mining cottages to house 'the poor and needy' of St Day. Built during the copper and tin mining boom in the mid-19th century, they are historical buildings and were listed Grade 2 in the 1980s. This context is important as it sets the Trust many challenges in terms of maintenance, but in many other ways too.

Although built at the same time, each is unique with no two properties sharing identical internal layouts, despite having uniform exteriors. In particular, careful consideration needs to be taken when allocating new residents, while the listings status poses certain restrictions on what can be achieved to make the living spaces relevant to the 21st century. It requires a certain amount of juggling.

The Trust is fortunate in having built bungalows (20 years ago) for the less mobile residents, so are able to offer those becoming frail an opportunity to move across from the mining cottages. Two households made such a move, allowing us to refresh their houses for new residents who can more easily navigate the steep, awkward stairs. It also freed up one of the cottages with a downstairs bathroom for another long-term resident.

As well as the resulting three small-scale refurbishments, another two cottages have had a makeover following former residents moving to alternative accommodation. Additionally, we began a major remodelling of one property that was home to a very private gentleman whose wishes we observed in delaying much-needed structural work. It is a major undertaking, requiring listed building consent but will result in a home for the future with a more practical layout.

Externally, we embarked on a 4-year programme of repairing years of damage to the fronts of the cottages caused by cement render and pointing (a widespread practice after WW2) with the help of a skilled artisan who is restoring the facades using lime, the traditional material used during the original construction. Around 25% of the street was tackled during the last year and represents the Trust's single biggest item of expenditure.

After the confinements and restrictions imposed by Covid, we felt that all of our residents could benefit from a fresh start and a new impetus courtesy of a revitalised Community Room. As well as being given a new roof, the main hall has been given a completely new look by eliminating the false ceiling and exposing the rafters – nobody would know it used to be a slaughterhouse! It is being officially unveiled during St Day Feast celebrations (when WJ Mills benefaction is commemorated) and a resident committee is busily preparing a programme of social activities.

Problems due to subsidence related to old mine workings is continuing to cause us problems, largely due to an inefficient and protracted insurance process which continues to deny residents of two cottages the use of their gardens. This was reported last time and we stated that it was a matter to be addressed with some urgency, but we are sadly no further forward.

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

Finally, and this is unfortunately another negative note, the Trust commissioned a report on the district heating system, part of which was to determine our move away from fossil fuels feeding our boilers. The only viable option would be to install new models capable of using HVO (Hydrotreated Vegetable Oil) but this is currently prohibitively expensive. As an aside, we have also identified some thermal efficiency improvements to our properties but listed buildings regulations also make these cost-prohibitive. As an organisation, we have ambitions to reduce our carbon footprint, but too many obstacles are put in our way.

FINANCIAL REVIEW

Net expenditure for the year (before revaluation) was £25,965 as compared to net expenditure of £6,298 for the previous year. Although there has been an increase in maintenance contributions and decrease in property repairs and improvements, the overall increase in net expenditure reflects the impairment of the intercompany loan.

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).

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 2023 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

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales (ICAEW).

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
3. the accounts do 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.

Mrs M Hutchings
Apsleys LLP
21 Bampton Street
Tiverton
Devon EX16 6AA

Date:

WILLIAM JOHN MILLS COTTAGES TRUST
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 5 APRIL 2023

	Notes	<u>Unrestricted</u> <u>funds</u>	<u>Endowment</u> <u>fund</u>	<u>Total 2023</u>	<u>Total 2022</u>
		£	£	£	£
Income					
Charitable activities					
Rents receivable		260,563	-	260,563	250,781
Investment income					
Bank interest		1,325	-	1,325	929
Other income		837	-	837	33
Total income		<u>262,725</u>	<u>-</u>	<u>262,725</u>	<u>251,743</u>
Expenditure	8				
Charitable activities		199,450		199,450	214,829
Other		89,240		89,240	43,212
Total expenditure		<u>288,690</u>	<u>-</u>	<u>288,690</u>	<u>258,041</u>
Net income/(expenditure) for the year		(25,965)	-	(25,965)	(6,298)
Revaluation of tangible fixed assets		199,467	474,556	674,023	212,234
Net movement in funds		173,502	474,556	648,058	205,936
Balance brought forward		<u>2,266,465</u>	<u>5,130,302</u>	<u>7,396,767</u>	<u>7,190,831</u>
Balance carried forward		<u>2,439,967</u>	<u>5,604,858</u>	<u>8,044,825</u>	<u>7,396,767</u>

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WILLIAM JOHN MILLS COTTAGES TRUST
BALANCE SHEET
5 APRIL 2023

	<u>Note</u>	<u>2023</u>	<u>2022</u>
		£	£
Investments			
W J Mills (Property) Ltd	2	2	2
Fixed assets			
Tangible fixed assets	3	7,960,704	7,286,681
Current assets			
Debtors	4	26,317	63,678
Cash at bank and in hand		<u>217,893</u>	<u>225,172</u>
		244,210	288,850
Creditors : Amounts due within one year	5	<u>41,438</u>	<u>38,785</u>
Net current assets		<u>202,772</u>	<u>250,065</u>
		8,163,478	7,536,748
Creditors : Amounts due after one year	6	<u>118,653</u>	<u>139,981</u>
Net assets		<u>8,044,825</u>	<u>7,396,767</u>
Capital funds			
Endowments		5,604,858	5,130,302
Income funds			
Unrestricted funds		<u>2,439,967</u>	<u>2,266,465</u>
		<u>8,044,825</u>	<u>7,396,767</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 2023

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.

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WILLIAM JOHN MILLS COTTAGES TRUST
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 5 APRIL 2023

(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.

3. Tangible fixed assets

	<u>Freehold land and buildings</u> £
Valuation	
At 6 April 2022	7,286,681
Increase in valuation	674,023
At 5 April 2023	<u>7,960,704</u>
Depreciation	
At 6 April 2022	-
Charge for the year	-
At 5 April 2023	<u>-</u>
Net book value	
At 5 April 2023	<u>7,960,704</u>
At 6 April 2022	<u>7,286,681</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 £7,960,704 (2022 £7,286,681) 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.

THE WILLIAM JOHN MILLS COTTAGES TRUST
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 5 APRIL 2023

4. Debtors	<u>2023</u>	<u>2022</u>
	£	£
Trade debtors	4,563	2,978
Amounts owed by associated undertakings	20,000	59,074
Prepayments	1,754	1,626
	<u>26,317</u>	<u>63,678</u>

5. Creditors: Amounts falling due within one year	<u>2023</u>	<u>2022</u>
	£	£
Rent in advance	19,981	18,818
Loan	19,987	18,645
Accruals	1,420	1,320
Social security	48	-
Other creditors	2	2
	<u>41,438</u>	<u>38,785</u>

6. Creditors: Amounts falling due after one year	<u>2023</u>	<u>2022</u>
	£	£
Loan	<u>118,653</u>	<u>139,981</u>

The total amount of the loan from The Charity Bank Ltd outstanding at 5 April 2023 is £138,640 (2022: £158,626). This amount does not include interest which is due on the outstanding balance.

7. Analysis of net assets between funds

	<u>Unrestricted</u> <u>funds</u>	<u>Endowment</u> <u>funds</u>	<u>Total funds</u>
	£	£	£
Fund balances at 5 April 2023 are represented by			
Investments	2		2
Tangible fixed assets	2,355,846	5,604,858	7,960,704
Current assets	244,210		244,210
Liabilities	(160,091)		(160,091)
	<u>2,439,967</u>	<u>5,604,858</u>	<u>8,044,825</u>

THE WILLIAM JOHN MILLS COTTAGES TRUST
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 5 APRIL 2023

8. Expenditure - unrestricted funds

	<u>Grants and donations</u>	<u>Property running and maintenance costs</u>	<u>Other</u>	<u>Total 2023</u>	<u>Total 2022</u>
	£	£	£	£	£
Gifts and donations to residents	1,484			1,484	1,531
Clerks wages			26,825	26,825	21,135
Trustees travel expenses			2,618	2,618	1,583
Administrative costs			2,612	2,612	2,659
Bookkeeping			-	-	-
Accountancy			570	570	510
Independent examination			970	970	869
Other professional fees			4,626	4,626	1,713
Trustees indemnity insurance			381	381	381
Property insurance		5,124		5,124	4,760
Heat, light , water and rates		43,194		43,194	37,756
Caretaker and gardening		6,919		6,919	7,477
Property repairs and improvements		142,729		142,729	163,305
Bank charges			72	72	97
Loan commitment fee			909	909	3,228
Loan interest paid			9,695	9,695	11,037
Intercompany loan impairment			39,962	39,962	-
	<u>1,484</u>	<u>197,966</u>	<u>89,240</u>	<u>288,690</u>	<u>258,041</u>

9. Wages and salaries

	<u>2023</u>	<u>2022</u>
	£	£
Wages	25,241	20,188
Social Security Costs	1,584	947
	<u>26,825</u>	<u>21,135</u>
Average number of staff	<u>3</u>	<u>3</u>

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

10. Trustees remuneration and expenses

	<u>2023</u>	<u>2022</u>
	£	£
Trustees remuneration	NIL	NIL
Trustees expenses	<u>2,618</u>	<u>1,583</u>

Trustees expenses mainly relate to travel costs and were claimed by 2 trustees (2022: 2).

11. Related party transactions

As at 5 April 2023 W J Mills (Property) Ltd owed the Trust £20,000 (2022: £59,074) following the impairment of the loan due to the project not going ahead and the value of the land not sufficient to cover total value of the loan. Trustees Mr K Goldsworthy and Mr S Edwards (Resigned September 2022) are also directors of W J Mills (Property) Ltd.

