

WILLIAM JOHN MILLS COTTAGES TRUST  
FINANCIAL STATEMENTS  
YEAR ENDED 5 APRIL 2020

<u>Contents</u>	<u>Page</u>
Reference and administration details	1
Trustees report	2 - 3
Independent examiner's report	4
Statement of financial activities	5
Balance sheet	6
Notes to the financial statements	7 - 10

WILLIAM JOHN MILLS COTTAGES TRUST  
REFERENCE AND ADMINISTRATION DETAILS

<b>Registered charity number</b>	275488
<b>Charity's principal address</b>	The Community Room Mills St St Day Redruth TR16 5LL
<b>Trustees</b>	Mrs E A Wilson Mr P Barker - Treasurer Mrs S Burley - Vice Chair Mr S Edwards Mr R W Temple (Resigned December 2019) Mr K Goldsworthy Mr C Wilson
<b>Clerk to the trustees</b>	Ms C Freeman Mrs K Atherton
<b>Independent examiner</b>	Mrs M Hutchings Apsleys Chartered Accountants 21 Bampton Street Tiverton Devon EX16 6AA
<b>Bankers</b>	CAF Cash 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
<b>Solicitors</b>	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 2020. 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**

Two bungalows became vacant during the year: these were re-decorated and subsequently occupied by residents from Mills Street. In turn, the vacated properties in Mills Street were re-decorated prior to new residents moving in.

Three further properties became vacant in Mills Street: one has been renovated, benefitting from a new kitchen, and is now occupied; one has been re-furnished and is ready for occupation when the movement restrictions are lifted; the third requires complete renovation and listed building consent is being applied for.

Ongoing maintenance has taken place, including replacing some back gardens with paving slabs to help elderly residents with the upkeep, also painting of windows and exteriors.

It has been found that some of the point of use electric heaters did not produce sufficient hot water and so small immersion heaters are being used instead and these are more successful.

Mr Roger Temple stepped down as a trustee in December and efforts are ongoing to find more trustees. Another part time clerk was appointed in July to help with the increasing workload.

## **FINANCIAL REVIEW**

Net income for the year (before revaluation) was £15,491 as compared to £42,244 for the previous year. The decrease reflects increase in property repairs and improvements and heat, light, water and rates charges.

### **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**  
**Chairman**

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 2020 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**  
**Apsleys**  
**21 Bampton Street**  
**Tiverton**  
**Devon EX16 6AA**

**Date:**

WILLIAM JOHN MILLS COTTAGES TRUST  
STATEMENT OF FINANCIAL ACTIVITIES  
YEAR ENDED 5 APRIL 2020

	Notes	<u>Unrestricted</u> <u>funds</u>	<u>Endowment</u> <u>fund</u>	<u>Total 2020</u>	<u>Total 2019</u>
		£	£	£	£
Income					
Charitable activities					
Rents receivable		191,044	-	191,044	191,912
Investment income					
Bank interest		2,986	-	2,986	2,687
Other income		3	-	3	123
Total income		<u>194,033</u>	<u>-</u>	<u>194,033</u>	<u>194,722</u>
Expenditure	8				
Charitable activities		144,962		144,962	128,255
Other		35,434		35,434	24,223
Total expenditure		<u>180,396</u>	<u>-</u>	<u>180,396</u>	<u>152,478</u>
Net income for the year		13,637	-	13,637	42,244
Revaluation of tangible fixed assets		71,183	169,354	240,537	256,986
Net movement in funds		84,820	169,354	254,174	299,230
Balance brought forward		<u>2,054,791</u>	<u>4,704,299</u>	<u>6,759,090</u>	<u>6,459,860</u>
Balance carried forward		<u>2,139,611</u>	<u>4,873,653</u>	<u>7,013,264</u>	<u>6,759,090</u>

6  
WILLIAM JOHN MILLS COTTAGES TRUST  
BALANCE SHEET  
5 APRIL 2020

	<u>Note</u>	<u>2020</u>	<u>2019</u>
		£	£
Investments			
W J Mills (Property) Ltd	2	2	-
Fixed assets			
Tangible fixed assets	3	6,922,158	6,681,621
Current assets			
Debtors	4	46,044	10,098
Cash at bank and in hand		<u>242,220</u>	<u>280,107</u>
		288,264	290,205
Creditors : Amounts due within one year	5	<u>18,725</u>	<u>16,954</u>
Net current assets		<u>269,539</u>	<u>273,251</u>
		7,191,699	6,954,872
Creditors : Amounts due after one year	6	<u>178,435</u>	<u>195,782</u>
Net assets		<u><u>7,013,264</u></u>	<u><u>6,759,090</u></u>
Capital funds			
Endowments		4,873,653	4,704,299
Income funds			
Unrestricted funds		<u>2,139,611</u>	<u>2,054,791</u>
		<u><u>7,013,264</u></u>	<u><u>6,759,090</u></u>

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

and signed on their behalf by:

.....  
**Mrs E A Wilson - Chairman**

.....  
**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 2020

**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.



8  
WILLIAM JOHN MILLS COTTAGES TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 5 APRIL 2020

**(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.

**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 30 November 2020.

**3. Tangible fixed assets**

	<u>Freehold land and buildings</u> £
Valuation	
At 6 April 2019	6,681,621
Increase in valuation	240,537
At 5 April 2020	<u>6,922,158</u>
Depreciation	
At 6 April 2019	-
Charge for the year	-
At 5 April 2020	<u>-</u>
Net book value	
At 5 April 2020	<u>6,922,158</u>
At 6 April 2019	<u>6,681,621</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 £6,922,158 (2019 £6,681,621) 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>2020</u> £	<u>2019</u> £
Amounts owed by associated undertakings	44,218	-
Prepayments	1,826	10,098
	<u>46,044</u>	<u>10,098</u>

**THE WILLIAM JOHN MILLS COTTAGES TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 5 APRIL 2020**

**5. Creditors: Amounts falling due within one year**

	<u>2020</u>	<u>2019</u>
	£	£
Other creditors	2,372	1,595
Loan	16,353	15,359
	<u>18,725</u>	<u>16,954</u>

**6. Creditors: Amounts falling due after one year**

	<u>2020</u>	<u>2019</u>
	£	£
Loan	178,435	195,782

The total amount of the loan from The Charity Bank Ltd outstanding at 5 April 2020 is £194,788 (2019: £211,141). 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>Total funds</u>
	<u>funds</u>	<u>funds</u>	<u>funds</u>
	£	£	£
Fund balances at 5 April 2020 are represented by			
Tangible fixed assets	2,048,505	4,873,653	6,922,158
Current assets	288,264		288,264
Liabilities	(197,160)		(197,160)
	<u>2,139,609</u>	<u>4,873,653</u>	<u>7,013,262</u>

**8. Expenditure - unrestricted funds**

	<u>Grants</u>	<u>Property</u>			
	<u>and</u>	<u>running and</u>			
	<u>donations</u>	<u>costs</u>	<u>Other</u>	<u>Total 2020</u>	<u>Total 2019</u>
	£	£	£	£	£
Gifts and donations to residents	1,520			1,520	1,581
Clerk to trustees fee			11,216	11,216	5,531
Trustees travel expenses			1,020	1,020	527
Administrative costs			3,364	3,364	1,889
Bookkeeping			77	77	-
Accountancy			540	540	355
Independent examination			919	919	605
Other professional fees			4,575	4,575	599
Trustees indemnity insurance			381	381	381
Property insurance		4,755		4,755	4,568
Heat, light, water and rates		33,667		33,667	31,159
Caretaker and gardening		2,844		2,844	2,078
Property repairs and improvements		102,176		102,176	88,669
Bank charges			60	60	60
Loan interest paid			13,282	13,282	14,276
Donations	-			-	200
	<u>1,520</u>	<u>143,442</u>	<u>35,434</u>	<u>180,396</u>	<u>152,478</u>

THE WILLIAM JOHN MILLS COTTAGES TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 5 APRIL 2020

**9. Wages and salaries**

	<u>2020</u>	<u>2019</u>
	£	£
Wages	<u>11,216</u>	<u>5,531</u>
Average number of staff	<u>2</u>	<u>1</u>

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

**10. Trustees remuneration and expenses**

	<u>2020</u>	<u>2019</u>
	£	£
Trustees remuneration	NIL	NIL
Trustees expenses	<u>1,020</u>	<u>527</u>

Trustees expenses mainly relate to travel costs and were claimed by 2 (2019: 1) trustee.

**11. Related party transactions**

As at 5 April 2020 W J Mills (Property) Ltd owed the Trust £44,218 (2019: Nil). Trustees Mr K Goldsworthy and Mr S Edwards are also directors of W J Mills (Property) Ltd