

Company no. 00003846

THE EVANS'S COTTAGE HOMES
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2006

Charity no. 236070



MGI WENHAM MAJOR LTD
BIRMINGHAM

THE EVANS'S COTTAGE HOMES

TRUSTEES' REPORT AND FINANCIAL STATEMENTS YEAR ENDED 31ST MARCH 2006

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THE EVANS'S COTTAGE HOMES

TRUSTEES' REPORT

YEAR ENDED 31ST MARCH 2006

The Trustees, who are the directors of the company for the purposes of company law, present their annual report and financial statements of the company for the year ended 31 March 2006. The Evans's Cottage Homes is a company registered under the Companies Act as an unlimited company without share capital. During the year Mrs S A Pedley and Mr R M Trigger were appointed as Trustees.

GOVERNING DOCUMENT AND PRINCIPAL ACTIVITIES

The Trust is governed by a Memorandum of Association dated 3 January 1868.

The principal activities of the company throughout the year consist of the provision of flats for elderly ladies providing them with suitably designed accommodation where they can lead an independent life without interference but with the support when required of a resident warden. During the year Mrs Campbell (Flat 1) died, Mrs Tudor (Flat 24) left and Mrs Saunders (Flat 16) died, Mrs Holt moved into Flat 16, Mrs Wade will be moving into Flat 24 and Mrs Shorters into Flat 1.

CHARITABLE REGISTRATION

The Trust is a registered charity, number 236070

The Charity's principal address is Martineau Johnson, No 1 Colmore Square, Birmingham B4 6AA

THE TRUSTEES WHO SERVED DURING THE YEAR WERE:

Chairman	Mr Keith Prescott
Trustees	The Lord Mayor of Birmingham - Ex-Officio
	Councillor C J Hutchings
	Mrs S A Pedley
	Miss P J Taylor
	Mr R M Trigger

New Trustees are appointed by existing Trustees except for the Lord Mayor of Birmingham who is an Ex-Officio trustee.

SECRETARY TO THE TRUSTEES AND PRINCIPAL OFFICE

Hugh Bampffield Carslake
Martineau Johnson, No 1 Colmore Square, Birmingham B4 6AA

PROFESSIONAL ADVISORS

BANKERS

Lloyds TSB Bank Plc, 114-116 Colmore Row, Birmingham B3 3AD

ACCOUNTANTS

MGI Wenham Major Ltd, 89 Cornwall Street, Birmingham B3 3BY

MANAGEMENT OF THE TRUST

All matters of policy and management are determined by the Trustees who meet twice a year.

RENT

The rent per unit increased to £47.08 per week with effect from 1st April 2006. Service charge increased to £11.54 per week for water rates and heating.

THE EVANS'S COTTAGE HOMES

TRUSTEES' REPORT

YEAR ENDED 31ST MARCH 2006

FINANCIAL REVIEW AND INVESTMENT POLICY

The financial statements to 31 March 2006 show a surplus of £11,092, which has been added to accumulated reserves brought forward. The accumulated reserves at 31 March 2006 are £355,041, £88,518, of which are held in designated reserves. Designated reserves are to cover cyclical and extraordinary maintenance and repair costs. The designated reserves are represented by investments, cash at bank and Martineau Johnson client account.

There are no restrictions on the Charity's powers to invest. The investment strategy is decided upon by the trustees. The Trustees currently hold only one investment in Treasury Stock which is due to mature in 2007. The returns during the year on investments held by the charity are considered to be satisfactory by the Trustees.

ACHIEVEMENTS AND PERFORMANCE

The achievement this year was the continued provision of providing accommodation for elderly ladies.

RESERVES POLICY

It is the policy of the charity to maintain unrestricted funds, which are free reserves of the charity, at a level sufficient to cover any unforeseen expenses or liabilities.

Designated funds are maintained for the purpose of providing for the cyclical maintenance and extraordinary / major repair of the housing properties held by the charity.

RISK MANAGEMENT

The trustees have considered the major risks to which the Charity is exposed and systems have been established to mitigate those risks.

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

Company law requires the trustees, as directors of the company, to prepare financial statements for each year which give a true and fair view of the state of affairs of the company and the profit or loss of the company, for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- 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 a going concern basis unless it is inappropriate to presume that the company will continue in business.

The trustees, as directors, are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE EVANS'S COTTAGE HOMES

TRUSTEES' REPORT

YEAR ENDED 31ST MARCH 2006

DIRECTORS

Trustees who are also directors for the purpose of company law who served during the year and up to the date of this report are set out on page 1.

This report has been prepared in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities and in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

Approved by the trustees, as directors and signed on their behalf by:


.....
TRUSTEE


.....
TRUSTEE

Date: 24 July 2006

ACCOUNTANTS' REPORT TO THE DIRECTORS OF
THE EVANS'S COTTAGE HOMES
YEAR ENDED 31ST MARCH 2006

As described on the balance sheet you are responsible for the preparation of the financial statements for the year ended 31st March 2006, set out on pages 5 to 13.

You consider that the company is exempt from an audit under the Companies Act 1985.

In accordance with your instructions we have compiled these unaudited financial statements in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.

MRI Lawrence Major Limited

.....
MGI Wenham Major Ltd

Date: 24 July 2006

89 Cornwall Street
Birmingham
B3 3BY

THE EVANS'S COTTAGE HOMES

ACCOUNTING POLICIES

YEAR ENDED 31ST MARCH 2006

BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention and in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2005).

In preparing the financial statements the Charity follows best practice, as laid down in the Charities Statement of Recommended Practice "Accounting and Reporting by Charities (SORP 2005) issued in March 2005.

INCOMING RESOURCES

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

- Investment income is included when receivable.
- Incoming resources from charitable trading activity are accounted for when earned. This is represented by rent and service charges receivable.

RESOURCES EXPENDED

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.
- All costs are allocated between the expenditure categories of the SoFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, Matineau Johnson fees are apportioned between charitable expenditure and governance costs on the basis that 50% of the costs relate to charitable expenditure and the balance to governance costs.

TANGIBLE FIXED ASSETS

Housing properties - depreciation

It is the Trustees' policy not to provide for depreciation on freehold properties as required by Financial Reporting Standard for Smaller Entities. The property is maintained to a high standard and the Trustees consider that the life of the property is so long and the residual value so great that depreciation is not necessary.

Fixtures and fittings - depreciation

The fixtures and fittings are depreciated on a 25% straight line basis. A full year's charge has been provided for in the year of acquisition and no provision will be made in the year of disposal.

CYCLICAL REPAIRS AND MAINTENANCE

Costs are charged to the revenue account in the year in which they are incurred.

EXTRAORDINARY REPAIRS

Costs of extraordinary repairs, unless representing improvements to the properties, are charged to the revenue account in the year in which they are incurred.

THE EVANS'S COTTAGE HOMES

ACCOUNTING POLICIES

YEAR ENDED 31ST MARCH 2006

CYCLICAL REPAIRS AND MAINTENANCE RESERVE

The reserve represents amounts set aside for cyclical maintenance to meet costs in excess of budgeted expenditure for any year.

EXTRAORDINARY REPAIRS RESERVE

This reserve represents amounts set aside to carry out major repairs on housing properties to meet costs in excess of budgeted expenditure for any year.

VALUE ADDED TAX

The Evans's Cottage Homes is not registered for Value Added Tax. In these financial statements, where applicable, expenditure is shown inclusive of VAT.

CASH FLOW STATEMENT

Under the Financial Reporting Standard for Smaller Entities, the company is not required to produce a cash flow statement.

INVESTMENTS

Investments are stated at market value at the balance sheet date and the gain or loss taken to the Statement of Financial Activities.

PENSIONS

The charity contributes to the personal pension scheme of its employee. Pension costs charged in the Statement of Financial Activities represent contributions payable by the charity in the year.

THE EVANS'S COTTAGE HOMES

STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31ST MARCH 2006

		Unrestricted	Cyclical Repairs & Maintenance	Extra- Ordinary Repairs	Total	Total
	Notes	Funds	Reserve	Reserve	2006	2005
		£	£	£	£	£
INCOMING RESOURCES						
Incoming resources from charitable activities:						
Rental income	1	71,622	-	-	71,622	70,015
Incoming resources from generated funds:						
Interest receivable and other income	5	4,329	-	-	4,329	2,612
TOTAL INCOMING RESOURCES		<u>75,951</u>	<u>-</u>	<u>-</u>	<u>75,951</u>	<u>72,627</u>
RESERVES EXPENDED						
Charitable activities	2	39,525	-	-	39,525	33,435
Day to day routine maintenance		7,115	-	-	7,115	7,098
Extraordinary maintenance		1,330	-	-	1,330	1,586
Cyclical maintenance		6,318	-	-	6,318	1,798
Governance costs	2	10,571	-	-	10,571	9,097
TOTAL RESOURCES EXPENDED		<u>64,859</u>	<u>-</u>	<u>-</u>	<u>64,859</u>	<u>53,014</u>
NET INCOMING RESOURCES BEFORE OTHER RECOGNISED GAINS						
		11,092	-	-	11,092	19,613
Income from extension to lease		-	-	-	-	23,100
Unrealised loss on investments		(387)	-	-	(387)	(480)
NET MOVEMENT IN FUNDS		10,705	-	-	10,705	42,233
RECONCILIATION OF FUNDS						
Balance at 1st April 2005		267,254	57,597	19,485	344,336	302,103
Transfer to designated reserves		(11,436)	5,616	5,820	-	-
Balance at 31st March 2006		<u>266,523</u>	<u>63,213</u>	<u>25,305</u>	<u>355,041</u>	<u>344,336</u>

THE EVANS'S COTTAGE HOMES

BALANCE SHEET

AS AT 31ST MARCH 2006

	Note	2006	2005
		£	£
FIXED ASSETS			
Housing properties	7	239,007	239,007
Fixtures and fittings	7	991	1,984
Investments	8	13,568	13,955
CURRENT ASSETS			
Debtors	9	79,117	29,736
Cash at bank and in hand		32,730	69,089
		<u>111,847</u>	<u>98,825</u>
CREDITORS			
Amounts falling due within one year	10	<u>(10,372)</u>	<u>(9,435)</u>
NET CURRENT ASSETS		101,475	89,390
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>355,041</u>	<u>344,336</u>
CAPITAL AND RESERVES			
Designated reserves:	11		
Cyclical repairs and maintenance reserve		63,213	57,597
Extraordinary repairs reserve		25,305	19,485
Revenue reserve		266,523	267,254
		<u>355,041</u>	<u>344,336</u>

The trustees, who are the directors of the company for the purposes of company law, have taken advantage of Section 249A(1) of the Companies Act 1985 in not having these financial statements audited and confirm that no members have deposited a notice under Section 249B(2) of the Companies Act requesting an audit.

The directors acknowledge their responsibilities of ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and for preparing financial statements which give a true and fair view of the company and of its profit for the year then ended, in accordance with the requirements of Section 226 of the Companies Act 1985 and which otherwise comply with the requirements of this Act relating to financial statements so far as applicable to this company.

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

These financial statements were approved by the Board on 24 July 2006 and signed on its behalf by

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TRUSTEE

[Signature]
TRUSTEE

THE EVANS'S COTTAGE HOMES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2006

1. RENTAL INCOME

	2006	2005
	£	£
Rent receivable excluding service charges	56,989	55,887
Laundry service charge	1,155	1,117
Service charges receivable	13,478	13,011
	<u>71,622</u>	<u>70,015</u>

The number of units of accommodation managed at 1st April 2005 and at 31st March 2006 was 25.

2. OPERATING EXPENSES

Operating costs includes the following:-

Charitable activities:

Council tax and water	2,346	1,592
Heat and light	8,575	6,219
Gardening and cleaning	2,595	2,520
Warden's salary	10,104	9,908
Contributions to Warden's pension	462	385
Property insurance	1,772	1,848
Telephone	363	371
BVT monitoring of personal alarms	3,018	3,018
Martineau Johnson fees (including VAT)	7,981	6,580
Sundries	1,316	-
Depreciation on fixtures and fittings	993	994
	<u>39,525</u>	<u>33,435</u>

Governance:

Indemnity insurance	298	270
General expenses	304	304
MGI Wenham Major fees (including VAT)	1,988	1,943
Martineau Johnson fees (including VAT)	7,981	6,580
	<u>10,571</u>	<u>9,097</u>

THE EVANS'S COTTAGE HOMES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2006

3. DIRECTORS' EMOLUMENTS

2006 2005

The directors are defined as the trustees.

None of the trustees received remuneration or expenses during the year.
(2005 : Nil).

4. EMPLOYEE INFORMATION

Number Number

The average number of persons employed during the year were as follows:

1 1

No employee received emoluments of £50,000 or more.

5. INTEREST RECEIVABLE AND OTHER INCOME

Bank deposit interest	2,856	1,132
Investment income	1,443	1,443
Ground rents	30	37
	<u>4,329</u>	<u>2,612</u>

Income from extension to lease	<u>-</u>	<u>23,100</u>
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6. TAXATION

The Evans's Cottage Homes is a registered charity and is therefore exempt from liability to taxation on its income and capital gains.

THE EVANS'S COTTAGE HOMES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2006

7. FIXED ASSETS

Housing properties held for letting:-

Cost:	£
Historical cost at 1st April 2005 and 31st March 2006	<u>239,007</u>
Fixtures and Fittings	
Cost at 1st April 2005 and 31st March 2006	<u>4,711</u>
Depreciation	
At 1st April 2005	2,727
Charge for year	993
At 31st March 2006	<u>3,720</u>
Net book value at 31st March 2006	<u>990</u>
Net book value at 1st April 2005	<u>1,984</u>

8. FIXED ASSETS INVESTMENTS

	2006	2005
	£	£
The investments comprise holdings in 8 ½% Treasury Loan Stock 2007 as follows:-		
Market value at 1st April 2005	13,955	14,435
Unrealised (losses)	(387)	(480)
Market value at 31st March 2006	<u>13,568</u>	<u>13,955</u>
Historical costs:		
At 1st April 2005 and 31st March 2006	<u>13,225</u>	<u>13,225</u>
Reconciliation of movements in unrealised gains/losses on investments		
Unrealised gains at 1st April 2005	730	1,210
Losses on revaluation in year	(387)	(480)
Unrealised gains at 31st March 2006	<u>343</u>	<u>730</u>

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Prepayments	6,758	6,548
Other debtors	72,359	23,188
	<u>79,117</u>	<u>29,736</u>

10. CREDITORS: AMOUNTS DUE WITHIN ONE YEAR

Tax and social security	474	455
Sundry creditors and accruals	9,898	8,980
	<u>10,372</u>	<u>9,435</u>

THE EVANS'S COTTAGE HOMES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2006

11. DESIGNATED RESERVES

	Total	Cyclical Repairs & Maintenance Reserve	Extra- Ordinary Repairs Reserve
	£	£	£
Balance at 1st April 2005	77,082	57,597	19,485
Transfers (see below)	11,436	5,616	5,820
Balance at 31st March 2006	<u>88,518</u>	<u>63,213</u>	<u>25,305</u>

Each year the trustees set aside an amount to cover any cyclical costs or extraordinary repairs expenditure incurred during the year. The difference between budgeted and actual amounts incurred has been transferred to designated reserves as follows:

	Budget	Actual	Transfer To Reserves
	£	£	£
Cyclical repairs and maintenance	11,934	6,318	5,616
Extraordinary repairs	7,150	1,330	5,820
	<u>19,084</u>	<u>7,648</u>	<u>11,436</u>

12. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Total Funds
	£	£
Fixed assets	253,566	253,566
Debtors	79,117	79,117
Cash	32,730	32,730
Creditors	(10,372)	(10,372)
Total net assets	<u>355,041</u>	<u>355,041</u>

THE EVANS'S COTTAGE HOMES

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2006

13. RELATED PARTY TRANSACTIONS

Alfred Smith Evans Trust Fund: Charity No. 236070-1

The Alfred Smith Evans Trust Fund is a subsidiary charity of The Evans's Cottage Homes. Accounts consolidating this subsidiary are not prepared on the basis that the gross income of the group for the year ended 31 March 2006 does not exceed the audit threshold.

By a trust deed dated 14th September 1868, income from the investment in shares, represented by 3471.12 *Charinco Common Investment Fund* shares held by *The Alfred Smith Evans Trust Fund*, is to be applied in augmenting the income of The Evans's Cottage Homes. The total income from the investments of The Alfred Smith Evans Trust Fund for the year ended 31st March 2006 amounted to £347 and is included within unrestricted incoming resources on the Statement of Financial Activities.

THE EVANS'S COTTAGE HOMES
INCOME AND EXPENDITURE (BASED ON BUDGET LAYOUT)
YEAR ENDED 31ST MARCH 2006

	£	2006 £
INCOME		
Interest receivable and other income		4,329
Laundry service charge		1,155
Monthly rent and maintenance contribution:		
£194.50 x 12 x 25	58,350	
Heating/water rate charge:		
£46 x 12 x 25	13,800	
	72,150	
Less:		
Voids	(1,684)	
Difference (rounding)	1	70,467
		75,951
EXPENDITURE		
Management		
Martineau Johnson (including VAT)	15,962	
MGI Wenham Major (including VAT)	1,988	
Maintenance		
Extraordinary repair fund	1,330	
Cyclical maintenance fund	6,318	
Day to day routine maintenance	7,115	
Rates and water charges	2,346	
Heat and light	8,575	
Garden maintenance/window cleaning	2,595	
Insurance	2,070	
Warden's salary	10,104	
Contributions to Warden's pension	462	
Telephone account	363	
Miscellaneous payments	1,619	
BVT monitoring of personal alarms	3,018	
Depreciation	994	
		64,859
SURPLUS BEFORE UNREALISED		<u>11,092</u>
MOVEMENTS ON INVESTMENTS		