

*Company*  
**REGISTRAR**

3846

**THE EVANS'S COTTAGE HOMES  
REPORT AND FINANCIAL STATEMENTS  
YEAR ENDED 31ST MARCH 2004**

Charity no. 236070



**MGI WENHAM MAJOR  
CHARTERED ACCOUNTANTS  
BIRMINGHAM**

# THE EVANS'S COTTAGE HOMES

## TRUSTEES' REPORT AND FINANCIAL STATEMENTS    YEAR ENDED 31ST MARCH 2004

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# THE EVANS'S COTTAGE HOMES

LEGAL AND ADMINISTRATIVE INFORMATION

YEAR ENDED 31ST MARCH 2004

TRUSTEES:

The Lord Mayor of Birmingham  
Mrs J B M Cleaver  
C J Hutchings  
Mrs J R Jaffa  
Miss P J Taylor  
Mr K A Prescott

SECRETARY:

H B Carslake

REPORTING OFFICE  
(MANAGING AGENTS):

Martineau Johnson  
St Philips House  
St Philips Place  
Birmingham  
B3 2PP

INDEPENDENT  
ACCOUNTANTS:

MGI Wenham Major  
89 Cornwall Street  
Birmingham  
B3 3BY

BANKERS:

Lloyds TSB  
Colmore Row  
Birmingham  
B3

# THE EVANS'S COTTAGE HOMES

## TRUSTEES' REPORT

YEAR ENDED 31ST MARCH 2004

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 31st March 2004. The Evans's Cottage Homes is a company registered under the Companies Act as an unlimited company without share capital.

### PRINCIPAL ACTIVITIES

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.

### RENT

The rent per unit increased to £39 per week with effect from 1st April 2003. Service charges of £3 and £7 per week for water rates and heating respectively, remained unchanged.

### FINANCIAL REVIEW AND INVESTMENT POLICY

The financial statements to 31st March 2004 show a loss of £7,756 which has been deducted from accumulated reserves brought forward. The accumulated reserves at 31st March 2004 are £302,103, £72,230 of which are held in designated reserves. Designated reserves consists of an endowment fund of £9,938 and a reserve to cover cyclical and extraordinary maintenance costs of £62,292. The designated reserves are represented by investments and cash at bank.

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 Trustees have recently instructed their surveyor to carry out a Quinquennial Report and in view of the possible outcome it is thought prudent to invest any of the current cash reserves.


### 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.

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

.....  
TRUSTEE  
  
.....  
TRUSTEE

Date: 30 July 2004

**INDEPENDENT ACCOUNTANTS' REPORT TO THE DIRECTORS OF**  
**THE EVANS'S COTTAGE HOMES**  
**YEAR ENDED 31ST MARCH 2004**

As described on the balance sheet you are responsible for the preparation of the financial statements for the year ended 31st March 2004, set out on pages 4 to 11.

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.

*MGI Wenham Major*  
MGI Wenham Major  
Chartered Accountants and  
Registered Auditors  
Date: 30 July 2004

89 Cornwall Street  
Birmingham  
B3 3BY

# **THE EVANS'S COTTAGE HOMES**

## **ACCOUNTING POLICIES**

**YEAR ENDED 31ST MARCH 2004**

### **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 June 2002).

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 2000) issued in October 2000.

### **TURNOVER**

Turnover represents rent and service charges receivable.

### **TANGIBLE FIXED ASSETS**

#### **Housing properties - depreciation**

It is the Trustees' policy not to provide for depreciation on freehold properties as required by Statement of Standard Accounting Practice No. 12. 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 represented improvements to the properties, are charged to the revenue account in the year in which they are incurred.

### **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.

### **APPORTIONMENT OF MANAGEMENT EXPENSES**

Financial and administration costs are apportioned between management and service costs on the basis that 50% of the financial and administration costs are attributable to service costs and the balance to management.

### **CASH FLOW STATEMENT**

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

THE EVANS'S COTTAGE HOMES

STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31ST MARCH 2004

Notes	Unrestricted Funds	Cyclical Repairs & Maintenance Reserve	Extra-Ordinary Repairs Reserve	Endowment Funds	Total 2004	Total 2003
	£	£	£	£	£	£
<b>INCOMING RESOURCES</b>						
Rental income	62,263	-	-	-	62,263	60,780
Legacies	-	-	-	-	-	5,924
Interest receivable and other income	2,126	-	-	-	2,126	1,803
	<u>64,389</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>64,389</u>	<u>68,507</u>
<b>RESERVES EXPENDED</b>						
Services	22,409	-	-	-	22,409	17,723
Management	22,277	-	-	-	22,277	18,525
Day to day maintenance	10,782	-	-	-	10,782	7,151
Extraordinary maintenance	5,773	-	-	-	5,773	-
Cyclical maintenance	10,194	-	-	-	10,194	-
	<u>71,435</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>71,435</u>	<u>43,399</u>
<b>NET INCOMING RESOURCES BEFORE REVALUATIONS AND INVESTMENT ASSET DISPOSALS</b>						
	(7,046)	-	-	-	(7,046)	25,108
Unrealised loss on investments	-	-	-	(705)	(705)	1,915
	<u>(7,046)</u>	<u>-</u>	<u>-</u>	<u>(705)</u>	<u>(7,751)</u>	<u>27,023</u>
<b>NET MOVEMENT IN FUNDS</b>						
Balance at 1st April 2003	238,771	47,307	13,480	10,296	309,854	282,831
Transfer to designated reserves	(1,852)	726	779	347	-	-
	<u>229,873</u>	<u>48,033</u>	<u>14,259</u>	<u>9,938</u>	<u>302,103</u>	<u>309,854</u>

# THE EVANS'S COTTAGE HOMES

## PROFIT AND LOSS ACCOUNT

YEAR ENDED 31ST MARCH 2004

	Note	2004	2003
		£	£
<b>TURNOVER</b>			
Rental income	1	62,263	60,780
<b>OPERATING PROFIT</b>	2		
Services		22,409	17,723
Management		22,277	18,525
Day to day maintenance		10,782	7,151
Extraordinary maintenance		5,773	-
Cyclical maintenance		10,194	-
		(71,435)	(43,399)
<b>OPERATING (LOSS)/PROFIT</b>		(9,172)	17,381
Interest receivable and other income	5	2,126	7,727
<b>(LOSS)/SURPLUS FOR THE YEAR</b>		(7,046)	25,108
<b>TRANSFER TO DESIGNATED RESERVES</b>	11	(1,852)	(17,013)
		(8,898)	8,095
Revenue reserve brought forward		238,771	230,676
<b>REVENUE RESERVE CARRIED FORWARD</b>		229,873	238,771

The Evans's Cottage Homes have not acquired or discontinued any fundamental activities during the above two financial years.

The charity has no recognised gains and losses other than those included in the above income and expenditure account. Therefore, no separate statement of total recognised gains and losses is needed.

The results stated above relate wholly to continuing activities.



# THE EVANS'S COTTAGE HOMES

## BALANCE SHEET

AS AT 31ST MARCH 2004

	Note	2004	2003
		£	£
<b>FIXED ASSETS</b>			
Housing properties	7	239,007	239,007
Fixtures and fittings	7	2,978	185
Investments	8	14,435	15,140
<b>CURRENT ASSETS</b>			
Debtors	9	6,574	5,751
Cash at bank and in hand		50,755	56,727
		<u>57,329</u>	<u>62,478</u>
<b>CREDITORS</b>			
Amounts falling due within one year	10	<u>(11,646)</u>	<u>(6,956)</u>
<b>NET CURRENT ASSETS</b>		45,683	55,522
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>302,103</u>	<u>309,854</u>
<b>CAPITAL AND RESERVES</b>			
<b>Designated reserves:</b>	11		
Endowment fund		9,938	10,296
Cyclical repairs and maintenance reserve		48,033	47,307
Extraordinary repairs reserve		14,259	13,480
Revenue reserve		229,873	238,771
		<u>302,103</u>	<u>309,854</u>

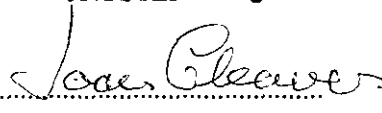
The trustees, who are the directors of the company for the purposes of company law, have taken advantage of Section 249A(1) of the Companies Act 1985 in not having these financial statements audited and confirm that no members have deposited a notice under Section 249B(2) of the Companies Act requesting 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 30 July 2004 and signed on its behalf by

  
.....  
TRUSTEE

  
.....  
TRUSTEE

# THE EVANS'S COTTAGE HOMES

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2004

### 1. RENTAL INCOME

	2004	2003
	£	£
Rent receivable excluding service charges	48,561	46,901
Laundry service charge	1,235	1,199
Service charges receivable	12,467	12,680
	<u>62,263</u>	<u>60,780</u>

The number of units of accommodation managed at 1st April 2003 and at 31st March 2004 was 25.

### 2. OPERATING EXPENSES

Operating costs includes the following:-

Services:

Council tax and water	2,098	2,285
Heat and light	6,152	5,430
Gardening and cleaning	2,740	2,346
Telephone	496	501
BVT Monitoring	2,052	-
MGI Wenham Major fees	899	907
Martineau Johnson fees	7,972	6,254
	<u>22,409</u>	<u>17,723</u>

Management:

Wardens salary	9,594	8,926
Property insurance	1,967	1,656
Indemnity insurance	245	218
General expenses	422	378
MGI Wenham Major fees	899	908
Martineau Johnson fees	7,972	6,254
Depreciation on fixtures and fittings	1,178	185
	<u>22,277</u>	<u>18,525</u>

# THE EVANS'S COTTAGE HOMES

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2004

### 3. DIRECTORS' EMOLUMENTS

2004 2003

The directors are defined as the trustees.

None of the trustees received remuneration or expenses during the year.  
(2003 : Nil).

### 4. EMPLOYEE INFORMATION

	Number	Number
	1	1
	£	£
The average number of persons employed during the year were as follows:		
Staff costs:		
Salary	9,000	8,470
Social security costs	486	456
	<u>9,486</u>	<u>8,926</u>

### 5. INTEREST RECEIVABLE AND OTHER INCOME

Bank deposit interest	643	294
Investment income	1,443	1,469
Ground rents	40	40
	<u>2,126</u>	<u>1,803</u>

### RELATED PARTY TRANSACTIONS (Charity No. 236070)

#### Alfred Smith Evans Fund:

By a trust deed dated 14th September 1868, income from an additional fund which was given by the late Mr Alfred Smith Evans is to be applied as far as possible in making good any deficiency in the income of the company and any surplus is to be accumulated for the building of further homes. This fund is represented by 3471.12 Charinco Common Investment Fund shares. The total income of the fund for the year ended 31st March 2004 amounted to £347 and as a surplus arose on the income account in the current year this amount has not been transferred to the income and expenditure account (Note 11).

### 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 2004

### 7. FIXED ASSETS

	2004 £	2003 £
<b>Housing properties held for letting:-</b>		
Cost:		
At historical cost	<u>239,007</u>	<u>239,007</u>
<b>Fixtures and fittings</b>		
Laundry and washing machine	740	740
Addition of alarm system	3,971	-
Depreciation	(1,733)	(555)
Net book value at 31st March 2004	<u>2,978</u>	<u>185</u>

### 8. FIXED ASSETS INVESTMENTS

The investments comprise holdings in 8 ½% Treasury Loan Stock 2007 as follows:-

Cost at 1st April 2003	13,225	13,225
Unrealised gains	1,210	1,915
Market value at 31st March 2004	<u>14,435</u>	<u>15,140</u>
<b>Historical costs:</b>		
At 1st April 2003 and 31st March 2004	<u>13,225</u>	<u>13,225</u>
Market value at 31st March 2004	<u>14,435</u>	<u>15,140</u>

### 9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Prepayments	5,479	5,461
Other debtors	385	290
	<u>5,864</u>	<u>5,751</u>

### 10. CREDITORS: AMOUNTS DUE WITHIN ONE YEAR

Tax and social security	444	336
Sundry creditors and accruals	11,202	6,620
	<u>11,646</u>	<u>6,956</u>

# THE EVANS'S COTTAGE HOMES

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2004

### 11. DESIGNATED RESERVES

	Total	Endowment Fund	Cyclical Repairs & Maintenance Reserve	Extra-Ordinary Repairs Reserve
	£	£	£	£
Balance at 1st April 2003	71,083	10,296	47,307	13,480
Transfer from profit and loss account				
Unrealised loss on investments	(705)	(705)	-	-
Account (Page 6)	1,852	347	726	779
Balance at 31st March 2004	<u>72,230</u>	<u>9,938</u>	<u>48,033</u>	<u>14,259</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	10,920	10,194	726
Extraordinary repairs	6,552	5,773	779
	<u>17,472</u>	<u>15,967</u>	<u>1,505</u>

# THE EVANS'S COTTAGE HOMES

## INCOME AND EXPENDITURE (BASED ON BUDGET LAYOUT)

YEAR ENDED 31ST MARCH 2004

2004

£ £

### INCOME

Interest receivable and other income		2,126
Laundry service charge		1,235
Weekly maintenance contribution:		
£39 x 52 x 25	50,700	
Heating/water rate charge:		
£10 x 52 x 25	13,000	
	<u>63,700</u>	
Less voids		
W/O Flat 5	(212)	
W/O Flat 12	(212)	
W/O Flat 16	(212)	
W/O Flat 21	(1,920)	
W/O Flat 23	(114)	
W/O difference (rounding)	(2)	61,028
		<u>64,389</u>

### EXPENDITURE

#### Management

Martineau Johnson (General and PAYE)	15,944
MGI Wenham Major	1,798

#### Maintenance

Extraordinary repair fund	5,773
Cyclical maintenance fund	10,194
Routine maintenance	10,782
Rates and water charges	2,098
Heat and light	6,152
Garden maintenance/window cleaning	2,740
Insurance	2,212
Wardens salary	9,594
Telephone account	496
Miscellaneous payments	421
BVT Personal Alarms Monitoring	2,052

70,256

(5,867)