

REGISTERED COMPANY NUMBER: 05400279 (England and Wales)
REGISTERED CHARITY NUMBER: 1118840

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2014
FOR
BORLASE SMART JOHN WELLS TRUST LTD**

Robinson Reed Layton
Peat House
Newham Road
Truro
Cornwall
TR1 2DP

BORLASE SMART JOHN WELLS TRUST LTD

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FOR THE YEAR ENDED 31 MARCH 2014**

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BORLASE SMART JOHN WELLS TRUST LTD

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2014**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2014. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
05400279 (England and Wales)

Registered Charity number
1118840

Registered office
Porthmeor Studios
Back Road West
St Ives
Cornwall
TR26 1NG

Trustees

| | | |
|----------------------|----------|-----------------------|
| P R Williams | Director | |
| M Osterfield | Director | |
| Ms J Val Baker | Director | |
| Mrs S Daniel-McElroy | Director | |
| J Green | Director | |
| M Porter | Director | |
| Ms M Weston | Director | |
| D P Wilson | Director | |
| Ms H Simpson | Director | |
| Ms T E Smith | Director | - appointed 18/4/2013 |
| Ms K Southworth | Director | - appointed 18/4/2013 |

Company Secretary
D P Wilson

Auditors
Robinson Reed Layton
Peat House
Newham Road
Truro
Cornwall
TR1 2DP

Bankers
HSBC
5 High Street
St Ives
Cornwall
TR26 1RX

Solicitors
Borlase & Company
45 Coinagehall Street
Helston
TR13 8EU

Chief Executive / Manager
Chris Hibbert

BORLASE SMART JOHN WELLS TRUST LTD

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2014

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Borlase Smart-John Wells Trust was established as the Borlase Smart Memorial Fund in a Trust Deed dated 7th March 1949, as varied by Schemes of the 9th February 1972, 29th December 1995 and 15th December 2005, and amended by a scheme of 4th January 2008. It is registered as a charity with the Charity Commission.

The Trust is incorporated, and the governing document is the Memorandum and Articles incorporated 26 June 2006 as amended by Special Resolution 23 March 2007. The Borlase Smart John Wells Trust Limited (Company No. 05400279) was entered onto the central register of charities on 17th April 2007, and assets and liabilities transferred from the Trust to the limited company. Porthmeor Studios could not be transferred since it is a permanent endowment, so Trustees applied to the Charity Commission to make a scheme that appointed the limited company the sole trustee of the Trust, and then requested a uniting direction that links the Trust with the limited company. This was completed on 18th January 2008, and the Borlase Smart-John Wells Trust was removed from the register of charities.

Recruitment and appointment of new trustees

As set out in the Trust Deed, the Trust was founded with three managing trustees. Two of these managing trustees were the Art Director of the Arts Council of Great Britain, and the Director of the Tate Gallery. These were appointed trustees by virtue of their respective offices, and are referred to as ex officio trustees. The managing trustees were given authority in the Trust Deed to appoint further trustees.

When the limited company was set up, all existing Trustees became directors. When recruiting trustees, consideration is given to any specialist skills that the Board considers necessary.

Induction and training of new trustees

Trustees are encouraged to attend appropriate external training events where these will help them undertake their role.

Organisational structure

The Trust is administered by a board of trustees, which currently has eleven members. The board meets about four times a year, and there are committees covering different areas of the Trust's activities. A manager is appointed by the trustees to manage its day to day operations

Related parties

The Trust has a close relationship with Arts Council England and the Tate as defined in its governing document, and its trustees provide further links with Cornwall Arts Centre Trust, Tate St Ives and Newlyn Art Gallery. The Trust maintains close links with the St Ives School of Painting, one of its tenants at Porthmeor Studios, and it also works with several other organisations in Cornwall including Creative Skills, St Ives Archive, Leach Pottery, St Ives Society of Artists and St Ives Museum.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2014**

OBJECTIVES AND ACTIVITIES

Objectives and aims

The charitable objects of the Trust are:

To promote art in St Ives and the district of Penwith for the purpose of increasing public knowledge and appreciation of the said arts. The Trust owns and manages three artists' studios in Cornwall: Porthmeor Studios in St Ives, and Trewarveneth and Anchor Studios in Newlyn, providing a total of 22 studio spaces. It has also been bequeathed two cottages in St Ives.

The Trust's main aims are:

- To safeguard and maintain the buildings owned by the Trust.
- To let studio spaces to artists for the purposes of their work.
- To manage the Trust with probity and in such a way that its proceedings are clear and transparent and its resources are used efficiently and sustainably.
- To provide workspace for artists at different stages in their careers, maintaining a flexible approach to artists' needs.
- To offer a variety of tenures in order to encourage both sustained and short-term opportunities, including the potential for artists from elsewhere in the world on short visits, residencies or exchanges.
- To establish and follow clear-cut procedures and criteria for selecting artists for studio spaces as they become available, from an openly advertised waiting list.
- To collaborate with other organisations to maximise resources and opportunities for artists.
- To provide for the general public's engagement with the work of studio occupants, and to further the understanding and appreciation of contemporary art practice.
- To maintain the special relationship with the St Ives School of Painting as an exceptional tenant and as a collaborator in joint activities for the Trust's purposes.

Public benefit

We review our aims, objectives and activities at least once each year to look at what we have achieved in the previous 12 months. We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular the trustees consider how planned activities will contribute to the aims and objectives they have set.

ACHIEVEMENT AND PERFORMANCE

The capital renovation of Porthmeor Studios was completed in 2012, and the project has attracted considerable acclaim both for the standard of its renovation works and its community benefit. Awards received this year include: Cornish Buildings Group 2013, Award Winner; Civic Trust 2014, Community Recognition Award; English Heritage Angels Award 2013, Shortlisted; National Lottery Awards 2013, Finalist; Considerate Contractors National Site Award 2013, Silver. It has also been shortlisted for RIBA and RICS awards, which will be decided later this year.

As part of the renovation project, American artist Mark Dion was commissioned to produce a work in response to the heritage of Porthmeor. He visited St Ives in September, and worked with eight students from Falmouth University on an installation titled 'The Maritime Artist', which was opened to the public in October. The Trust will be recruiting volunteers to help invigilate this display so that it can be opened to the public on a regular basis. The Trust's Learning Officer and Newlyn Art Gallery developed a project with local artists and four local schools which was inspired by The Maritime Artist, and resulted in an exhibition at Porthmeor Studios.

The Trust is continuing to develop its year round programme of talks, events and tours, many organised in partnership with St Ives Archive, and tenants are encouraged to take part in Open Studios events during May and September. The two week long St Ives September Festival is a particularly important occasion, and the Trust organised a full programme of talks, events and guided tours which were well attended. Porthmeor also hosted performances of Heva Heva, a play about the St Ives Pilchard industry, which was performed in the atmospheric fishermen's cellars.

BORLASE SMART JOHN WELLS TRUST LTD

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2014**

FINANCIAL REVIEW

Reserves policy

The trustees have identified an adequate level of reserves for the Trust. However the Trust's reserves were considerably depleted by the emergency studio repairs made to Porthmeor and Trewarveneth in 2002/2004. The additional administration costs needed for the capital renovation programme has so far prevented the Trust from replenishing its reserves.

The Trust recognises that it is most important to re-establish its reserves as soon as possible. Now that the studios have been refurbished and are fully occupied, the Trust will budget for an annual sum to be allocated to a reserve fund to allow for any unforeseen economic changes such as loss of income. Building repairs and replacement of equipment will be covered by a separate sinking fund.

Investment policy and objectives

The trustees regularly review the cash held by the charity and whilst maintaining access to funds for operational purposes, will place any surplus funds in an interest bearing deposit account when appropriate.

Financial review

The capital renovation project has just a few completion items still outstanding. The project was fully funded from a variety of sources, and grant payments have been on schedule as agreed with the funders. The Trust took out short-term loans to help with cash flow, and these have all been repaid.

The capital project has had an impact on Trust revenues, caused by loss of rental income and the additional costs to the Trust of administering the project. However the building has been fully let since project completion, and the Trust is now on a secure financial footing.


FUTURE DEVELOPMENTS

The Trust's next major project will be to renovate the Grade II Anchor Studio in Newlyn, and it has started to assess design options and fundraising proposals.

AUDITORS

The auditor, Robinson Reed Layton, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



.....
P R Williams - Trustee

Date: 27/10/14

BORLASE SMART JOHN WELLS TRUST LTD

**STATEMENT OF TRUSTEES RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2014**

The trustees (who are also the directors of Borlase Smart John Wells Trust Ltd for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
BORLASE SMART JOHN WELLS TRUST LTD**

We have audited the financial statements of Borlase Smart John Wells Trust Ltd for the year ended 31 March 2014 on pages eight to sixteen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees Responsibilities set out on page five, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

The trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with regulations made under Section 154 of that Act.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
BORLASE SMART JOHN WELLS TRUST LTD**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements ; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Robinson Reed Layton

Robinson Reed Layton

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

Peat House

Newham Road

Truro

Cornwall

TR1 2DP

Date: *29.10.2014*

BORLASE SMART JOHN WELLS TRUST LTD

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2014**

| | | Unrestricted funds | Restricted funds | 2014 Total funds | 2013 Total funds |
|---|-------|-----------------------|-------------------------|-------------------------|-------------------------|
| | Notes | £ | £ | £ | £ |
| INCOMING RESOURCES | | | | | |
| Incoming resources from generated funds | | | | | |
| Voluntary income | 2 | 36,079 | 211,818 | 247,897 | 1,469,981 |
| Activities for generating funds | 3 | 2,042 | - | 2,042 | 11,085 |
| Investment income | 4 | 134 | - | 134 | 159 |
| Incoming resources from charitable activities | | | | | |
| Rental income | 5 | <u>82,371</u> | <u>-</u> | <u>82,371</u> | <u>56,477</u> |
| Total incoming resources | | 120,626 | 211,818 | 332,444 | 1,537,702 |
| RESOURCES EXPENDED | | | | | |
| Costs of generating funds | | | | | |
| Costs of generating voluntary income | 6 | 3,407 | 6,793 | 10,200 | 9,322 |
| Fundraising trading: cost of goods sold and other costs | 7 | 424 | 248 | 672 | 7,605 |
| Charitable activities | | | | | |
| Charitable activities | 8 | 74,027 | 13,566 | 87,593 | 65,388 |
| Governance costs | 10 | <u>7,883</u> | <u>-</u> | <u>7,883</u> | <u>15,480</u> |
| Total resources expended | | <u>85,741</u> | <u>20,607</u> | <u>106,348</u> | <u>97,795</u> |
| NET INCOMING RESOURCES BEFORE TRANSFERS | | | | | |
| | | 34,885 | 191,211 | 226,096 | 1,439,907 |
| Gross transfers between funds | 18 | <u>(6,655)</u> | <u>6,655</u> | <u>-</u> | <u>-</u> |
| Net incoming/(outgoing) resources | | 28,230 | 197,866 | 226,096 | 1,439,907 |
| RECONCILIATION OF FUNDS | | | | | |
| Total funds brought forward | | <u>10,983</u> | <u>3,662,544</u> | <u>3,673,527</u> | <u>2,233,620</u> |
| TOTAL FUNDS CARRIED FORWARD | | <u><u>39,213</u></u> | <u><u>3,860,410</u></u> | <u><u>3,899,623</u></u> | <u><u>3,673,527</u></u> |

CONTINUING OPERATIONS

All incoming resources and resources expended arise from continuing activities.

RECOGNISED GAINS OR LOSSES

There were no recognised gains or losses in the years to 31st March 2014 or 2013, other than those passing through the statement of financial activities.

The notes form part of these financial statements

BORLASE SMART JOHN WELLS TRUST LTD

**BALANCE SHEET
AT 31 MARCH 2014**

| | Notes | Unrestricted funds £ | Restricted funds £ | 2014 Total funds £ | 2013 Total funds £ |
|--|-------|----------------------------|--------------------------|--------------------------|--------------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 14 | 1,773 | 3,696,730 | 3,698,503 | 3,503,534 |
| CURRENT ASSETS | | | | | |
| Stocks | | 14,001 | - | 14,001 | 14,360 |
| Debtors | 15 | 24,269 | 8,720 | 32,989 | 46,468 |
| Cash at bank and in hand | | <u>179,862</u> | <u>154,960</u> | <u>334,822</u> | <u>548,801</u> |
| | | 218,132 | 163,680 | 381,812 | 609,629 |
| CREDITORS | | | | | |
| Amounts falling due within one year | 16 | (180,692) | - | (180,692) | (439,636) |
| NET CURRENT ASSETS | | <u>37,440</u> | <u>163,680</u> | <u>201,120</u> | <u>169,993</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>39,213</u> | <u>3,860,410</u> | <u>3,899,623</u> | <u>3,673,527</u> |
| NET ASSETS | | <u>39,213</u> | <u>3,860,410</u> | <u>3,899,623</u> | <u>3,673,527</u> |
| FUNDS | 18 | | | | |
| Unrestricted funds | | | | 39,213 | 10,983 |
| Restricted funds | | | | <u>3,860,410</u> | <u>3,662,544</u> |
| TOTAL FUNDS | | | | <u>3,899,623</u> | <u>3,673,527</u> |

The notes form part of these financial statements

BORLASE SMART JOHN WELLS TRUST LTD

**BALANCE SHEET - CONTINUED
AT 31 MARCH 2014**

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2014.

The members have not deposited notice, pursuant to Section 476 of the Companies Act 2006 requiring an audit of these financial statements.

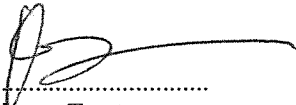
The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.


These financial statements have been audited under the requirements of Section 144 of the Charities Act 2011.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Trustees on 27/10/14 and were signed on its behalf by:



.....
P R Williams -Trustee



.....
D P Wilson -Trustee

BORLASE SMART JOHN WELLS TRUST LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention, the Companies Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

Cash flow statement

Exemption has been taken from preparing a cash flow statement on the grounds that the charitable company qualifies as a small charitable company.

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided to write off the cost less residual value of tangible fixed assets by equal annual instalments over their estimated useful lives as follows:

| | |
|---------------------|----------|
| Freehold buildings | 50 years |
| Plant and machinery | 3 years |
| Computer equipment | 3 years |

Freehold land and artwork are not depreciated.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

BORLASE SMART JOHN WELLS TRUST LTD

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2014**

1. ACCOUNTING POLICIES - continued

Constitution

The company was incorporated as a company limited by guarantee and not having a share capital. In the event of the company being wound up, registered members are liable to contribute a sum not exceeding £10 per member towards the debts and liabilities of the company and the costs and expenses of winding up. At 31 March 2014 there were 11 members (2013: 9).

Donations

Voluntary income received by way of donations to the charity is included in the statement of financial activities when receivable.

Investment income

Investment income is recognised on a receivable basis.

Grants receivable and expenditure

Capital based grants are credited to restricted incoming resources when receivable. Depreciation on the fixed assets purchased with such grants is charged against the restricted fund.

These grants are repayable under certain circumstances.

2. VOLUNTARY INCOME

| | 2014 | 2013 |
|-----------|----------------|------------------|
| | £ | £ |
| Donations | 895 | 1,865 |
| Grants | <u>247,002</u> | <u>1,468,116</u> |
| | <u>247,897</u> | <u>1,469,981</u> |

Grants received, included in the above, are as follows:

| | 2014 | 2013 |
|---------------------------------|----------------|------------------|
| | £ | £ |
| ACE Development Funding | 126,337 | 379,273 |
| HLF Development Funding | 48,192 | 368,383 |
| Convergence Development Funding | 41,141 | 325,240 |
| Cornwall Council | - | 41,995 |
| English Heritage Funding | 3,000 | 157,000 |
| European Fisheries Fund | 28,332 | 161,225 |
| Wolfson Foundation | <u>-</u> | <u>35,000</u> |
| | <u>247,002</u> | <u>1,468,116</u> |

3. ACTIVITIES FOR GENERATING FUNDS

| | 2014 | 2013 |
|--------------------|--------------|---------------|
| | £ | £ |
| Smart regeneration | <u>2,043</u> | <u>11,085</u> |

BORLASE SMART JOHN WELLS TRUST LTD

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2014**

4. INVESTMENT INCOME

| | 2014 | 2013 |
|--------------------------|------------|------------|
| | £ | £ |
| Deposit account interest | <u>134</u> | <u>159</u> |

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

| | 2014 | 2013 |
|---------------|---------------|---------------|
| | £ | £ |
| Rental income | <u>82,371</u> | <u>56,477</u> |

6. COSTS OF GENERATING VOLUNTARY INCOME

| | 2014 | 2013 |
|-------------------|---------------|--------------|
| | £ | £ |
| Fundraising costs | <u>10,200</u> | <u>9,322</u> |

7. FUNDRAISING TRADING: COST OF GOODS SOLD AND OTHER COSTS

| | 2014 | 2013 |
|--------------------|------------|--------------|
| | £ | £ |
| Cost of goods sold | <u>672</u> | <u>7,605</u> |

8. CHARITABLE ACTIVITIES COSTS

| | Direct costs | Support costs (See note 9) | Totals |
|-----------------------|---------------|-------------------------------|---------------|
| | £ | £ | £ |
| Charitable activities | <u>72,957</u> | <u>14,636</u> | <u>87,593</u> |

9. SUPPORT COSTS

| | Management | Finance | Totals |
|-----------------------|--------------|---------------|---------------|
| | £ | £ | £ |
| Charitable activities | <u>2,570</u> | <u>12,066</u> | <u>14,636</u> |

10. GOVERNANCE COSTS

| | 2014 | 2013 |
|----------------------|--------------|---------------|
| | £ | £ |
| Audit fee | 2,025 | 1,525 |
| Administration costs | <u>5,858</u> | <u>13,955</u> |
| | <u>7,883</u> | <u>15,480</u> |

BORLASE SMART JOHN WELLS TRUST LTD

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2014**

11. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

| | 2014 | 2013 |
|-----------------------------|--------------|--------------|
| | £ | £ |
| Depreciation - owned assets | <u>3,273</u> | <u>1,772</u> |

12. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2014 nor for the year ended 31 March 2013.

Trustees' expenses

| | 2014 | 2013 |
|--------------------|------------|--------------|
| | £ | £ |
| Trustees' expenses | <u>392</u> | <u>1,171</u> |

The number of trustees that have claimed expenses in this year is 3. (2013:4)

13. STAFF COSTS

| | 2014 | 2013 |
|-----------------------|---------------|---------------|
| | £ | £ |
| Wages and salaries | 47,463 | 29,046 |
| Social security costs | <u>4,427</u> | <u>2,803</u> |
| | <u>51,890</u> | <u>31,849</u> |

The average monthly number of employees during the year was as follows:

| | 2014 | 2013 |
|----------------|----------|----------|
| Administration | <u>2</u> | <u>2</u> |

No employees received emoluments in excess of £60,000.

BORLASE SMART JOHN WELLS TRUST LTD

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2014**

14. TANGIBLE FIXED ASSETS

| | Freehold property £ | Plant and machinery £ | Artwork £ | Computer equipment £ | Totals £ |
|-----------------------|---------------------------|-----------------------------|---------------|----------------------------|------------------|
| COST | | | | | |
| At 1 April 2013 | 3,493,333 | 2,740 | 6,655 | 2,578 | 3,505,306 |
| Additions | <u>153,840</u> | <u>4,513</u> | <u>39,889</u> | <u>-</u> | <u>198,242</u> |
| At 31 March 2014 | <u>3,647,173</u> | <u>7,253</u> | <u>46,544</u> | <u>2,578</u> | <u>3,703,548</u> |
| DEPRECIATION | | | | | |
| At 1 April 2013 | - | 913 | - | 859 | 1,772 |
| Charge for year | <u>-</u> | <u>2,414</u> | <u>-</u> | <u>859</u> | <u>3,273</u> |
| At 31 March 2014 | <u>-</u> | <u>3,327</u> | <u>-</u> | <u>1,718</u> | <u>5,045</u> |
| NET BOOK VALUE | | | | | |
| At 31 March 2014 | <u>3,647,173</u> | <u>3,926</u> | <u>46,544</u> | <u>860</u> | <u>3,698,503</u> |
| At 31 March 2013 | <u>3,493,333</u> | <u>1,827</u> | <u>6,655</u> | <u>1,719</u> | <u>3,503,534</u> |

Freehold property cost comprises £6,000 cost and £3,515,393 enhancement cost of Porthmeor Studios, and £125,780 enhancement costs of Trewarveneth. No cost is shown for the original value of Trewarveneth and Anchor studios, or 5 Bowling Green Terrace and Seal Cottage, Back Road West when first gifted to the Trust.

Artwork with a netbook value of £6655 was transferred to the Porthmeor restricted fund in the year ended 31 March 2014 - also see note 18.

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2014 £ | 2013 £ |
|-------------------------|---------------|---------------|
| VAT | 8,720 | 8,917 |
| Debtors and prepayments | <u>24,269</u> | <u>37,551</u> |
| | <u>32,989</u> | <u>46,468</u> |

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2014 £ | 2013 £ |
|---------------------------|----------------|----------------|
| Other loans (see note 17) | - | 340,000 |
| VAT | 2,333 | 2,704 |
| Creditors and accruals | <u>178,359</u> | <u>96,932</u> |
| | <u>180,692</u> | <u>439,636</u> |

BORLASE SMART JOHN WELLS TRUST LTD

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2014**

17. LOANS

An analysis of the maturity of loans is given below:

| | 2014 £ | 2013 £ |
|--|-----------|----------------|
| Amounts falling due within one year on demand: | | |
| Other loans | <u>-</u> | <u>340,000</u> |

There is no security held on other loans.

18. MOVEMENT IN FUNDS

| | At 1/4/13 £ | Net movement in funds £ | Transfers between funds £ | At 31/3/14 £ |
|-----------------------------------|------------------|-------------------------------|---------------------------------|------------------|
| Unrestricted funds | | | | |
| General fund | 10,983 | 34,885 | (21,655) | 24,213 |
| Building Maintenance Reserve Fund | <u>-</u> | <u>-</u> | <u>15,000</u> | <u>15,000</u> |
| | 10,983 | 34,885 | (6,655) | 39,213 |
| Restricted funds | | | | |
| Porthmeor | 3,524,652 | 191,211 | 6,655 | 3,722,518 |
| Anchor | 11,565 | - | - | 11,565 |
| Trewarveneth | <u>126,327</u> | <u>-</u> | <u>-</u> | <u>126,327</u> |
| | 3,662,544 | 191,211 | 6,655 | 3,860,410 |
| TOTAL FUNDS | <u>3,673,527</u> | <u>226,096</u> | <u>-</u> | <u>3,899,623</u> |

Net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Movement in funds £ |
|---------------------------|----------------------------|----------------------------|---------------------------|
| Unrestricted funds | | | |
| General fund | 120,626 | (85,741) | 34,885 |
| Restricted funds | | | |
| Porthmeor | 211,818 | (20,607) | 191,211 |
| TOTAL FUNDS | <u>332,444</u> | <u>(106,348)</u> | <u>226,096</u> |

- The Porthmeor restricted fund relates to funds raised to renovate Porthmeor Studios.
- The Anchor restricted fund relates to funds raised to renovate Anchor Studios.
- The Trewarveneth restricted fund relates to funds raised to renovate Trewarveneth Studios.
- The Building Maintenance Reserve unrestricted fund relates to funds reserved to cover maintenance costs and long term roof work over the next 10 years.

BORLASE SMART JOHN WELLS TRUST LTD

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2014**

| | 2014 | 2013 |
|--|----------------|------------------|
| | £ | £ |
| INCOMING RESOURCES | | |
| Voluntary income | | |
| Donations | 895 | 1,865 |
| Grants | <u>247,002</u> | <u>1,468,116</u> |
| | 247,897 | 1,469,981 |
| Activities for generating funds | | |
| Smart regeneration | 2,043 | 11,085 |
| Investment income | | |
| Deposit account interest | 134 | 159 |
| Incoming resources from charitable activities | | |
| Rental income | <u>82,371</u> | <u>56,477</u> |
| Total incoming resources | 332,445 | 1,537,702 |
| RESOURCES EXPENDED | | |
| Costs of generating voluntary income | | |
| Fundraising costs | 10,200 | 9,322 |
| Fundraising trading: cost of goods sold and other costs | | |
| Cost of goods sold | 672 | 7,605 |
| Charitable activities | | |
| Trustees' expenses | 392 | 1,171 |
| Wages | 40,075 | 29,046 |
| Social security | 4,427 | 2,803 |
| Insurance | 10,692 | 11,401 |
| Repairs and maintenance | 12,459 | 17,598 |
| Rental agents commission | 1,204 | 1,179 |
| Bank charges | 435 | 417 |
| Depreciation of tangible fixed assets | <u>3,273</u> | <u>1,773</u> |
| | 72,957 | 65,388 |
| Governance costs | | |
| Audit fee | 2,025 | 1,525 |
| Administration costs | <u>5,858</u> | <u>13,955</u> |
| | 7,883 | 15,480 |
| Support costs | | |
| Management | | |
| Rates and water | 3 | - |
| Light and heat | 1,890 | - |
| Telephone | <u>677</u> | - |
| | 2,570 | - |

This page does not form part of the statutory financial statements

BORLASE SMART JOHN WELLS TRUST LTD

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2014**

| | 2014 £ | 2013 £ |
|---------------------------------|-----------------------|-------------------------|
| Finance | | |
| Loan | <u>12,066</u> | <u>-</u> |
| Total resources expended | 106,348 | 97,795 |
| <hr/> | | |
| Net income | <u><u>226,097</u></u> | <u><u>1,439,907</u></u> |

This page does not form part of the statutory financial statements