

Charity registration number 1068064

Company registration number 03488288 (England and Wales)

DELTA - NORTH CONSETT LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

DELTA - NORTH CONSETT LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Mr A Watson
Mr R R Tyerrman
Mr Alan Gallagher
B A Salkeld
A Scott
Rev P Sinclair
Mr R Convery
Mr M Innes
Mr J D Shield
Mr Jason Underwood

Secretary

Miss Bethany Tulip

Charity number

1068064

Company number

03488288

Registered office

YMCA Parliament Street
Consett
Co Durham
DH8 5DH

Auditor

Murray and Lamb
12 Bessemer Court, Hownsgill Ind Park
Consett
Co Durham
DH8 7BL

DELTA - NORTH CONSETT LIMITED

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DELTA - NORTH CONSETT LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees present their annual report and financial statements for the year ended 31 August 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's [governing document], the Companies Act 2006 and "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)" (effective 1 January 2019).

Objectives and activities

To provide or assist in the provision in the interest of social welfare of facilities for recreation, educations, training, leisure and advice for men, women and young people with the object of improving their conditions of life.

To provide, improve and manage houses and our activity hostel accommodation for men and women of all ages upon terms appropriate to their means.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Charity should undertake.

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Review of activities, developments, achievements and changes

The work of the charity has continued with the expansion of the existing services developed over the last few years and in addition to this several new developments have extended our portfolio.

The Furniture Scheme and Charity Shop

Both aspects of the business remain busy and continue to remain a big competitor within its sector. Since reopening our doors following the Covid-19 pandemic the business has seen a huge increase in donations along with more customers coming through our doors.

Despite having loss of income throughout this period, we are forecasted to bounce back over the upcoming months and continue to help our local community the best we can.

DELTA - NORTH CONSETT LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

Delta North Consett Limited Alternative Education Academic Year

Our mission here at Delta Independent School remains the same; 'To unlock the potential of all our young people, to liberate them from past experiences and empower them to change their future.'

Following on from the Covid-19 pandemic and the reopening of Delta Independent School we have seen an increase in referrals for young students which will shortly show an increase in our revenue for this sector of the business. It has been a challenge for our staff members, who over the previous months have continued to work extremely hard to make sure the return to school and normal life has been as stress free and easy as possible for our pupils.

We have seen some changes within our Curriculum and Teaching and Learning since September to best impact our students. Mental Health and Safeguarding remain a huge part of our role here at Delta Independent School and we continue to work close with all pupils to make sure we are meeting not only our requirements, but the students' needs throughout their time here at Delta.

The future of Delta Independent School looks bright, and we are excited to continue to see the development and growth of our School throughout the next financial and academic year.

Princes Trust Team

The Princes Trust Team Program at Delta North Consett Ltd is a motivational, self-development 12 week course that engages with the harder to reach members of the community, aged 16-25.

The focus of the course is to support young people into a positive outcome or progression; these include further education, employment and/or volunteering.

During the 12 weeks, the students can complete a nationally recognised qualification at Award Level 1 or 2 according to their individual circumstances. Although 12 weeks is a short time to complete a course, these are jam-packed with activities that challenge the young people including a residential experience, community project, team challenges and a final presentation.

Since the Covid-19 pandemic our Princes Trust department have faced the same challenges as our Independent School in terms of ensuring all pupils have a smooth return to face-to-face learning and normal life.

We have seen an increase of mental health and safeguarding needs which have proven more challenging since the return, but our staff have worked extremely hard to make sure our pupils feel supported with not only their studies but any personal issues to the best of our ability.

We continue to have a strong working relationship with our Partnership Colleges (Derwentside College and Stockton Riverside College) – This allows us to run teams across the Durham and Newcastle Area. As always, we are constantly evaluating emerging areas of need and always looking to expand our provision to meet our targets set by the Funding Colleges.

Princes Trust Staff continuously work towards their professional development in First Aid, Food Hygiene, Manual Handling, Safeguarding, Team Leader training and Risk Assessment training.

Hostel: 1st September 2020 to 31st August 2021

Since the Covid-19 pandemic the doors of our hostel have remain closed. We currently have some work which needs carried out before we can start the running of our Hostel again.

DELTA - NORTH CONSETT LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 AUGUST 2021**

Delta North Consett Limited Boxing Club

Consett Delta ABC has continued to be a popular and well attended part of the charity with the number of young people showing interest increasing monthly. Since the reopening we have seen a substantial increase of young people wanting to attend our gym and we have some exciting plans for the future of Delta ABC.

Achievements and performance

Financial review

The trustees are pleased to report that charity has made further progress towards its financial objectives despite drawing on its reserves in the current period as shown in the SOFA. The charity holds reserves as set out in Notes 22 and 23.

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The charity determines that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

Funding/Monitoring

There has still been a major down turn in the amount of available funding for projects and programmes that we run within the organisation, so between the reportable dates there has been no funding received

The Trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Charitable and political contributions.

There have been no charitable donations within the last financial period

Structure, governance and management

The Charity is a company limited by guarantee.

Chairman - Mr A Watson

Chief Executive Officer - Mr William Robson

Mr A Watson

Mr R R Tyerman

Mr Alan Gallagher

B A Salkeld

A Scott

Reverend Valerie Shedden

(Resigned 19 October 2020)

Rev P Sinclair

Mr R Convery

Mr M Innes

Mr J D Shield

Mr Jason Underwood

Mr Gary Smith

(Appointed 19 October 2020 and resigned 23 June 2021)

DELTA - NORTH CONSETT LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 AUGUST 2021**

The Trustees are recruited from the local area from the business and community groups that would have the skills to help and develop the charity with local councilors also being invited. On appointment, the Trustees receive a trustees' pack that outlines the aims and objectives of the charity and the role of the trustees. Further training is given when appropriate.

Day to day running of the charity is the responsibility of the CEO, William Robson. The school principal Helen Daglish, and Vice principal, Neil Curran report directly to the CEO. The Charities finances are the responsibility of the secretary/ Finance manager Bethany Tulip.

Decisions are made by trustees at quarterly board meetings, based upon a majority vote.

No Trustees receive any remuneration.

Supplier payment policy

The company's current policy concerning the payment of trade creditors is to follow the CBI's Prompt Payers Code (copies are available from the CBI, Centre Point, 103 New Oxford Street, London WC1A 1DU).

The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

Trade creditors of the company at the year end were equivalent to XX day's purchases, based on the average daily amount invoiced by suppliers during the year.

DELTA - NORTH CONSETT LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Statement of Trustees' responsibilities

The Trustees, who are also the directors of Delta - North Consett Limited for the purpose of company law, are responsible for preparing the Trustees' Report 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 Charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 adequate 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 Companies Act 2006. 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.

Auditor

In accordance with the company's articles, a resolution proposing that Murray and Lamb be reappointed as auditor of the company will be put at a General Meeting.


Public Benefit Statement

The Trustees have had regard to the commission's public benefit guidance and have taken it into account when making a decision to which the guidance is relevant.

Going Concern

The charity is currently operating during a world wide pandemic due to Coronavirus. The Charity and the local communities have felt the impact of that crisis. The charity has continued to operate throughout the pandemic and will continue to do so for the foreseeable future. The Charity has sufficient reserves to ensure that it is a Going Concern and as such has drawn its accounts up on that basis.

The Trustees' report was approved by the Board of Trustees.


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Mr A Watson
Chairman

Date: 24/05/22

DELTA - NORTH CONSETT LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF DELTA - NORTH CONSETT LIMITED

Opinion

We have audited the financial statements of Delta - North Consett Limited (the 'Charity') for the year ended 31 August 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of its incoming resources and application of resources, 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

DELTA - NORTH CONSETT LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF DELTA - NORTH CONSETT LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the directors of the Charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Extent to which the audit was considered capable of detecting irregularities including fraud

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following;

- The nature of the industry in which the company operates, the control environment of the company and the performance of the business against prior periods and our expectations.
- Managements assessment of the risk that irregularities may occur as a result of fraud or error.
- Results of our enquiries of management about their own identification and assessment of the risks of irregularities.
- The audit engagement team's own assessment of the risk of irregularities, including identifying financial statement areas that are more susceptible to fraud and discussions around how fraud may occur.

As a result of these procedures, we considered the opportunities and incentives that may exist within the company for fraud. In common with all audits under ISA's (UK), we are also required to perform specific procedures to respond to the risk of management override of controls. We also obtained an understanding of the legal and regulatory framework that the company operates in, focusing on provisions of those laws and regulations that;

- Have a direct effect on the determination of material amounts and disclosures in the financial statements.
- Do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

DELTA - NORTH CONSETT LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF DELTA - NORTH CONSETT LIMITED

Audit response to risks identified

As a result of performing the above procedures, we identified the key matters relating to the potential risk of fraud.

Our procedures to respond to the risks identified included;

- Reviewing financial statement disclosures and vouching to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements.
- Making enquiries of management concerning actual and potential litigations and claims.
- Performing substantive procedures to verify the validity of transactions included in the financial statements.
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments made, assessed whether judgements made in making accounting estimates were indicative of potential bias, and evaluated the business rationale of any significant transactions outside the usual course of business.

We communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, we remained alert to any indications of fraud or non-compliance with laws and regulations and maintained appropriate levels of professional scepticism in our communications with management throughout the course of the audit.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our audit report.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's 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 its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

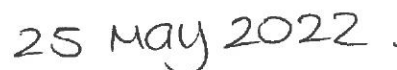
Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity'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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Mrs Rebecca Davison, ACA (Senior Statutory Auditor)
for and on behalf of Murray and Lamb

Chartered Accountants
Statutory Auditor



12 Bessemer Court, Hownsgill Ind Park
Consett
Co Durham
DH8 7BL

DELTA - NORTH CONSETT LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Total Unrestricted funds 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
<u>Income and endowments from:</u>							
Donations and legacies	4	130,256	95,887	226,143	41,895	79,070	120,965
Charitable activities	5	966,689	-	966,689	1,459,451	-	1,459,451
Investments	6	2	-	2	8	-	8
Other income	7	32,123	-	32,123	31,202	-	31,202
Total income		1,129,070	95,887	1,224,957	1,532,556	79,070	1,611,626
<u>Expenditure on:</u>							
Raising funds	8	6,208	-	6,208	-	-	-
Charitable activities	9	1,394,539	106,144	1,500,683	1,575,775	79,436	1,655,211
Other	13	5,108	8,194	13,302	5,487	-	5,487
Total expenditure		1,405,855	114,338	1,520,193	1,581,262	79,436	1,660,698
Net gains/(losses) on investments	14	37,307	-	37,307	57,288	-	57,288
Net (outgoing)/incoming resources before transfers		(239,478)	(18,451)	(257,929)	8,582	(366)	8,216
Gross transfers between funds		7,053	(7,053)	-	-	-	-
Net movement in funds		(232,425)	(25,504)	(257,929)	8,582	(366)	8,216
Fund balances at 1 September 2020		1,777,046	526,069	2,303,115	1,771,328	526,435	2,294,899
Fund balances at 31 August 2021		1,544,621	500,565	2,045,186	1,777,046	526,069	2,303,115

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

DELTA - NORTH CONSETT LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	15	1,212,891		1,261,311	
Investment properties	16	445,000		418,745	
Investments	17	114,154		103,102	
		<u>1,772,045</u>		<u>1,783,158</u>	
Current assets					
Stocks	18	14,648		17,414	
Debtors	19	126,197		68,796	
Cash at bank and in hand		323,360		698,982	
		<u>464,205</u>		<u>785,192</u>	
Creditors: amounts falling due within one year					
Loans and overdrafts	20	25,526		25,451	
Taxation and social security		25,976		27,507	
Other creditors	21	49,874		43,561	
Deferred income	23	58,590		112,017	
		<u>159,966</u>		<u>208,536</u>	
Net current assets		<u>304,239</u>		<u>576,656</u>	
Total assets less current liabilities		<u>2,076,284</u>		<u>2,359,814</u>	
Creditors: amounts falling due after more than one year	22	(31,098)		(56,699)	
Net assets		<u>2,045,186</u>		<u>2,303,115</u>	
Income funds					
Restricted funds	25	500,565		526,069	
Unrestricted funds		1,544,621		1,777,046	
		<u>2,045,186</u>		<u>2,303,115</u>	

DELTA - NORTH CONSETT LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 AUGUST 2021

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 August 2021, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 24/05/22.


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Mr A Watson
Trustee

Company registration number 03488288

DELTA - NORTH CONSETT LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	28		(329,061)		259,240
Investing activities					
Purchase of tangible fixed assets		(24,037)		(12,586)	
Proceeds on disposal of tangible fixed assets		3,000		7,500	
Purchase of investments		-		(97,500)	
Investment gains reinvested		-		(5,602)	
Investment income received		2		8	
Net cash used in investing activities			(21,035)		(108,180)
Repayment of bank loans		(25,526)		(24,538)	
Payment of obligations under finance leases		-		-	
Net cash used in financing activities			(25,526)		(24,538)
Net (decrease)/increase in cash and cash equivalents			(375,622)		126,522
Cash and cash equivalents at beginning of year			698,982		572,460
Cash and cash equivalents at end of year			323,360		698,982
Relating to:					
Cash at bank and in hand			323,360		698,982
Bank overdrafts included in creditors payable within one year			-		-

DELTA - NORTH CONSETT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

Charity information

Delta - North Consett Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is YMCA Parliament Street, Consett, Co Durham, DH8 5DH.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Charity's governing document, the Companies Act 2006 and "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) (effective 1 January 2019)". The Charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 Going concern

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.

Contracts between the charity and Princes Trust, which account for a significant proportion of total income each year, are due to be renewed in July 2022.

Management and the board of Trustees see no issues with these contracts being renewed for the year to July 2023, and therefore no impact on the charities ability to continue as a going concern.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the Charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the Charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

DELTA - NORTH CONSETT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

1.5 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to each category of expense shown in the Statement of Financial Activities. Expenditure is recognised when there is a present obligation resulting from a past event. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% Straight Line (Applied to buildings only)
Fixtures and fittings	12.5% Reducing balance
Motor vehicles	25% Reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Transaction costs are expensed as incurred. Changes in fair value are recognised in other recognised gains and losses except to the extent that a gain reverses a loss previously recognised in net income expenditure, or a loss exceeds the accumulated gains recognised in equity; such gains and loss are recognised in net income/(expenditure) for the year.

1.9 Impairment of fixed assets

At each reporting end date, the Charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Donated goods hold no value.

DELTA - NORTH CONSETT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

1.11 Cash and cash equivalents

Cash and cash equivalents 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. Bank overdrafts are shown within borrowings in current liabilities.

1.12 Financial instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Charity's balance sheet when the Charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Charity's contractual obligations expire or are discharged or cancelled.

1.13 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

DELTA - NORTH CONSETT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

2 Change in accounting policy

Properties held by the charity for the sole purpose of generating rental income were previously recognised in the financial statements as fixed assets recorded at cost and 2% depreciation on cost was charged annually. These properties have been reclassified as investment property and are now held at fair value with any changes in fair value being recognised in the statement of financial activities.

As the buildings meet the condition of rental properties, it is felt that treating the properties as such will provide more accurate information within the accounts.

Due to this fact, valuation of the properties have been restated to their fair value in the current and prior period.

The effect on the financial statements is as follows;

	2021	2020
Effect on Balance sheet:		
Value under cost model	£357,861	£367,059
Value under fair value model	£445,000	£418,745
Increase in balance sheet value	£87,139	£51,686
Effect on Statement of financial activities:		
Depreciation under cost model	£9,198	£9,198
Fair value uplift	£26,255	£42,488
Net increase	£35,453	£51,686

It was impractical to restate figures for August 2019 and further due to no formal valuation of the properties having took place at the time, therefore reliable valuations at August 2019 and previous could not be obtained.

3 Critical accounting estimates and judgements

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

DELTA - NORTH CONSETT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

4 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2021 £	2021 £	2021 £	2020 £	2020 £	2020 £
Donations and gifts	2,583	-	2,583	2,653	-	2,653
General Grants	127,673	95,087	222,760	39,242	63,870	103,112
Other	-	800	800	-	15,200	15,200
	<u>130,256</u>	<u>95,887</u>	<u>226,143</u>	<u>41,895</u>	<u>79,070</u>	<u>120,965</u>
Grants receivable for core activities						
Job Retention Scheme	93,524	-	93,524	39,242	-	39,242
General Grants	58,149	71,087	129,236	-	63,870	63,870
Other	(24,000)	24,000	-	-	-	-
	<u>127,673</u>	<u>95,087</u>	<u>222,760</u>	<u>39,242</u>	<u>63,870</u>	<u>103,112</u>

DELTA - NORTH CONSETT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

5 Charitable activities

	General 2021 £	Cafeteria Income 2021 £	Mental Health Pot 2021 £	Total 2021 £	General 2020 £	Cafeteria Income 2020 £	Mental Health Pot 2020 £	Total 2020 £
Programme activities	610	-	-	610	1,150	-	-	1,150
Alternative education	347,075	-	-	347,075	584,488	-	-	584,488
Princes Trust	542,252	-	-	542,252	785,100	-	-	785,100
Charity Shop	70,839	2,501	3,412	76,752	78,632	5,456	4,625	88,713
	960,776	2,501	3,412	966,689	1,449,370	5,456	4,625	1,459,451

DELTA - NORTH CONSETT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

6 Investments

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Interest receivable	2	8

7 Other income

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Net gain on disposal of tangible fixed assets	764	1,070
Rental Income	31,359	30,132
	32,123	31,202

8 Raising funds

	Unrestricted funds	Total
	2021	2020
	£	£
<u>Fundraising and publicity</u>		
Advertising	150	-
<u>Trading costs</u>		
Operating charity shops	2,088	-
Other trading activities	3,970	-
Trading costs	6,058	-
	6,208	-

DELTA - NORTH CONSETT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

9 Charitable activities

	General 2021 £	General 2020 £
Staff costs	1,069,416	1,133,430
Depreciation and impairment	71,225	70,958
Durham Works	297	2,013
Alternative education	25,225	34,121
Prince's Trust	71,683	117,732
	<u>1,237,846</u>	<u>1,358,254</u>
Share of support costs (see note 10)	160,492	199,126
Share of governance costs (see note 10)	102,345	97,831
	<u>1,500,683</u>	<u>1,655,211</u>
Analysis by fund		
Unrestricted funds	1,394,539	1,575,775
Restricted funds	106,144	79,436
	<u>1,500,683</u>	<u>1,655,211</u>

DELTA - NORTH CONSETT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

10 Support costs

	Support costs	Governance costs	2021	Support costs	Governance costs	2020
	£	£	£	£	£	£
Staff costs	1	86,169	86,170	-	85,130	85,130
Depreciation	(9,197)	-	(9,197)	-	-	-
Rent and utility costs	16,829	3,462	20,291	20,704	3,876	24,580
Motor and fuel costs	9,346	-	9,346	30,371	-	30,371
Repair and maintenance costs	36,480	-	36,480	36,218	-	36,218
Telephone and office costs	17,967	-	17,967	31,585	-	31,585
General support costs	89,066	-	89,066	80,248	-	80,248
Audit fees	-	7,350	7,350	-	6,050	6,050
Legal and professional	-	5,364	5,364	-	2,775	2,775
	<u>160,492</u>	<u>102,345</u>	<u>262,837</u>	<u>199,126</u>	<u>97,831</u>	<u>296,957</u>
Analysed between Charitable activities	<u>160,492</u>	<u>102,345</u>	<u>262,837</u>	<u>199,126</u>	<u>97,831</u>	<u>296,957</u>

Governance costs includes payments to the auditors of £4,000 (2020- £3,500) for audit fees. The auditor provides no other services for the Charity other than the audit of the accounts

11 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the Charity during the year.

12 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Governance	2	2
Operational Staff	42	40
Total	<u>44</u>	<u>42</u>

DELTA - NORTH CONSETT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

12 Employees	(Continued)	
Employment costs	2021 £	2020 £
Wages and salaries	924,393	1,080,727
Social security costs	172,583	95,645
Other pension costs	58,610	42,188
	<u>1,155,586</u>	<u>1,218,560</u>

Staff costs, including pension contributions, are allocated between restricted and unrestricted funds based on the percentage of time each employee has spent on each project over the year.

There were no employees whose annual remuneration was more than £60,000.

13 Other

	Unrestricted funds	Restricted funds	Total £	Unrestricted funds
	2021	2021	2021	2020
Net loss on disposal of tangible fixed assets	-	8,194	8,194	-
Bank Charges and interest	5,108	-	5,108	5,487
	<u>5,108</u>	<u>8,194</u>	<u>13,302</u>	<u>5,487</u>

14 Net gains/(losses) on investments

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
Revaluation of investments	11,052	5,602
Revaluation of investment properties	26,255	51,686
	<u>37,307</u>	<u>57,288</u>

DELTA - NORTH CONSETT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

16 Investment property

(Continued)

If investment properties were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

	2021 £	2020 £
Cost	459,852	459,852
Accumulated depreciation	101,991	92,793
Carrying amount	<u>561,843</u>	<u>552,645</u>

	2021 £	2020 £
Freehold	445,000	418,745
Long leasehold	-	-
Short leasehold	-	-

17 Fixed asset investments

	Add investments 1 £
Cost or valuation	
At 1 September 2020	103,102
Valuation changes	11,052
At 31 August 2021	<u>114,154</u>
Carrying amount	
At 31 August 2021	<u>114,154</u>
At 31 August 2020	<u>103,102</u>

The investment is that of a Unit Trust. The investment is valued by the fund itself.

	2021 £	2020 £
Investments at fair value comprise:		
Unit Trust investment	<u>114,154</u>	<u>-</u>

DELTA - NORTH CONSETT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

18 Stocks

	2021 £	2020 £
Finished goods and goods for resale	14,648	17,414

19 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	89,419	35,102
Other debtors	286	286
Prepayments and accrued income	36,492	33,408
	126,197	68,796

Prepayments and accrued income includes the Licence for Pemberton Road lasting 15 years. The current value of the lease is £9,701 for a remaining 11 years.

20 Loans and overdrafts

	2021 £	2020 £
Bank loans	56,624	82,150
Payable within one year	25,526	25,451
Payable after one year	31,098	56,699

Lloyds Bank PLC have a fixed and floating charge of the Charity's assets.

21 Other creditors falling due within one year

	2021 £	2020 £
Trade creditors	35,059	27,211
Other creditors	6,199	6,364
Accruals and deferred income	8,616	9,986
	49,874	43,561

22 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Bank loans	20	31,098	56,699

DELTA - NORTH CONSETT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

23 Deferred income

	2021 £	2020 £
Other deferred income	58,590	112,017

Deferred income is included in the financial statements as follows:

	2021 £	2020 £
Deferred income is included within:		
Current liabilities	58,590	112,017
Movements in the year:		
Deferred income at 1 September 2020	112,017	-
Released from previous periods	(53,427)	-
Resources deferred in the year	-	112,017
Deferred income at 31 August 2021	58,590	112,017

Deferred income consists of income received in advance from Tanfield School relating to future accounting periods.

Services for which the income relates have not been performed as at the reporting date.

24 Retirement benefit schemes

Defined contribution schemes

The Charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £40,555 (2020 - £41,500).

DELTA - NORTH CONSETT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

25 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 September 2019 £	Movement in funds			Balance at 1 September 2020 £	Movement in funds			Balance at 31 August 2021 £
		Incoming resources £	Resources expended £			Incoming resources £	Resources expended £	Transfers £	
Equipment	50,350	-	(7,857)		42,493	24,000	(19,151)	(7,053)	40,289
Gift of land	135,000	-	-		135,000	-	-	-	135,000
Property Alterations	324,015	-	(8,100)		315,915	-	(8,100)	-	307,815
Lottery Funds	-	15,200	-		15,200	4,000	(19,200)	-	-
Other Restricted funds	17,070	2,458	(2,067)		17,461	-	-	-	17,461
Durham Works	-	61,470	(61,470)		-	67,887	(67,887)	-	-
	526,435	79,128	(79,494)		526,069	95,887	(114,338)	(7,053)	500,565

DELTA - NORTH CONSETT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

25 Restricted funds

(Continued)

The specific purposes for which the funds are to be applied are as follows:

Equipment

Funds received for the purchase of equipment, including vehicles.

Gift of Land

The land which included ancient woodlands, had been given to assist with the provision of the Charity's activities. However, problems with trespassing and vandalism meant the Charity needed to sell and reinvest the funds from the gift. The Charity has obtained a licence to use the land for some of its activities.

Property Alterations

Grants received to alter, repair or improve the properties occupied by the Charity.

Durham Works

Finishing Touches is a project looking at self-development and increasing life skills for young people from across the Durham area. The staff are based in the Hub at Roseberry Terrace. This is an ESF funded provision and covers activities within the Youth Employment Initiative working in partnership for Durham Works.

Lottery Funds

Grants awarded by the Lottery for specific expenditure

Other Restricted funds

Grants received from miscellaneous funders to be used by the charity for specific purposes as set out by the funder.

DELTA - NORTH CONSETT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

26 Analysis of net assets between funds

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Fund balances at 31 August 2021 are represented by:						
Tangible assets	729,787	483,104	1,212,891	908,757	352,554	1,261,311
Investment properties	445,000	-	445,000	418,745	-	418,745
Investments	114,154	-	114,154	103,102	-	103,102
Current assets/ (liabilities)	286,778	17,461	304,239	403,113	173,543	576,656
Long term liabilities	(31,098)	-	(31,098)	(56,699)	-	(56,699)
	<u>1,544,621</u>	<u>500,565</u>	<u>2,045,186</u>	<u>1,777,018</u>	<u>526,097</u>	<u>2,303,115</u>

27 Post Balance Sheet Events

Subsequent to 31 August 2021, the charity entered into an agreement to sell an investment property valued at £180,000. The sale price of the property has been agreed at £180,000.

28 Cash generated from operations

	2021 £	2020 £
(Deficit)/surplus for the year	(257,929)	10,953
Adjustments for:		
Investment income recognised in statement of financial activities	(2)	(8)
Loss/(gain) on disposal of tangible fixed assets	6,666	(1,070)
Fair value gains and losses on investment properties	(26,255)	(51,686)
Fair value gains and losses on Investments	(11,052)	(5,602)
Depreciation and impairment of tangible fixed assets	62,791	70,958
Movements in working capital:		
Decrease in stocks	2,766	987
(Increase)/decrease in debtors	(57,401)	119,724
Increase in creditors	4,782	2,967
(Decrease)/increase in deferred income	(53,427)	112,017
Cash (absorbed by)/generated from operations	<u>(329,061)</u>	<u>259,240</u>

DELTA - NORTH CONSETT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

29 Analysis of changes in net funds

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	698,982	(375,622)	323,360
Loans falling due within one year	(25,451)	(75)	(25,526)
Loans falling due after more than one year	(56,699)	25,601	(31,098)
	<u>616,832</u>	<u>(350,096)</u>	<u>266,736</u>