

Company registration number: 03495224

Charity registration number: 1068270

# **The 78 Derngate Northampton Trust**

(A company limited by share capital)

**Annual Report and Financial Statements**

**for the Year Ended 31 December 2020**

**10. Chartered Accountants  
10 Cheyne Walk  
Northampton  
Northamptonshire  
NN1 5PT**

# **The 78 Derngate Northampton Trust**

## **Contents**

Reference and Administrative Details	I
Trustees' Report	2 to 6
Statement of Trustees' Responsibilities	7
Independent Auditors' Report	8 to 11
Statement of Financial Activities	12 to 13
Balance Sheet	14
Notes to the Financial Statements	15 to 25



## **The 78 Derngate Northampton Trust**

### **Reference and Administrative Details**

<b>Trustees</b>	T George
	R Kendall
	A Kotnis
	L Marriott
	M A Young
	B Eldred
	S Harris
<b>Secretary</b>	L Patterson
<b>Principal Office</b>	82 Derngate Northampton Northamptonshire NN1 1UH
	The charity is incorporated in England and Wales.
<b>Company Registration Number</b>	03495224
<b>Charity Registration Number</b> 1068270	
<b>Solicitors</b>	Dennis Faulkner and Alsop 6 Cheyne Walk Northampton NN1 5PT
<b>Auditor</b>	10. Chartered Accountants 10 Cheyne Walk Northampton Northamptonshire NN1 5PT

## **The 78 Derngate Northampton Trust**

### **Trustees' Report**

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 December 2020.

#### **Objectives and activities**

##### **Public benefit**

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

##### **Objectives and aims**

The preservation of 78 Derngate and the promotion of the works of C.R. Mackintosh and W.J. Bassett-Lowke. The exhibition of works by CRM or other artists as may be determined by the trustees.

##### **Significant activities**

During the year the performance of the Charity has been measured as follows:

- Fund raising for the Atrium extension;
- Going out to tender for the extension;
- Remaining solvent during the pandemic;
- Identifying a way forward with the extension to 82 Derngate and the garden to the rear;
- Procurement of an online ticketing system; and
- Refreshing the website and online shop.

##### **Volunteers**

The Trust is supported by a very active organisation called the 'Friends of 78 Derngate'. This has several hundred members and has a lively calendar of events. The house is also supported by approximately 80 volunteers who act as guides, receptionists and general maintenance activities.

## **The 78 Derngate Northampton Trust**

### **Trustees' Report**

#### **Structure, governance and management**

##### ***Governing document***

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

##### ***Recruitment and appointment of new trustees***

No resignation or recruitment of trustees took place during the year ended 31 December 2020.

##### ***Induction and training of new trustees***

New trustees are encouraged to meet with the Secretary and make themselves familiar with the role and responsibilities of charitable trustees.

##### ***Organisational structure***

The Trust is a company limited by guarantee and is controlled by a board of up to 7 trustees who set the aims and objectives of the company and its strategic direction. The day to day management of the organisation is the responsibility of the House Manager and Company Secretary. They have a small team of part time staff and a reasonable number of volunteers.

##### ***Wider network***

The trust works with a variety of partners within the art and heritage world. It has an agreement with English Heritage for the admittance of its members. The trust work with local authorities to provide certain mutually agreed targets and Northampton Borough Council holds the head lease on two of the three properties under trust control.

##### ***Related parties***

No business was transacted with any trustee or their relatives during the year in question.

##### ***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. The risks were reviewed in the year and new planning undertaken to reduce the risks associated with pandemics.



## **The 78 Derngate Northampton Trust**

### **Trustees' Report**

#### **ACHIEVEMENT AND PERFORMANCE**

##### ***Charitable activities***

Without doubt this has been the most challenging year in the history of the Trust. The covid 19 pandemic has caused the house alongside all historic house attractions in the country to remain closed for most of the year after March 23rd.

Our trading revenue for the year is down 80% and this is reflected in our visitor numbers, most having visited in February and March.

The Trustees brought forward the decision to seek Museum accreditation to widen the availability of grant aid. Although the balance sheet of the Trust appeared strong, this was mainly due to the two years of fund raising for the capital required to undertake the extension project. The Trustees needed to preserve this at the same time as seeking revenue funding to survive. The first round of aid to help from the HLF was very restricted and small. We were accepted on to the museum's accreditation scheme later in the year giving the Trust 3 years to achieve the necessary criteria.

During the first national lockdown several changes were instigated to enable safe reopening in July. The shop was moved from the ground to first floor and the former shop area allowed the relocation of the tea and coffee facility for the café whilst simultaneously spreading out the tables from the restaurant throughout the galleries in 82. All this enabled social distancing and a one-way system combined with a prebooking by telephone system saw the house reopen on July 4th. Unfortunately, and understandably the population was reluctant to visit.

During the first lockdown the opportunity was taken to repair and decorate the rear of 78 and 80 where the window frames, awning canopies and cills were suffering from wood rot. Also, internal redecoration of the top floor of 78 was done alongside the entire walls of 80.

The second lockdown came in November and during the first several Government initiatives to help with funding had been introduced which the Trust took up. We were successful in securing revenue funding through the HLF and the local authority. When we re-opened to a tiered regional variation of lockdown in December there were virtually no bookings.

Despite all this we had a successful summer show in the Galleries with a very colourful landscape artist Glenn Badhams exhibiting, whose paintings of the west country proved to be popular.

At the start of the year, we had instigated a review of our VAT status because of the pending build of the extension. The outcome was that instead of having full status we were to be classed as partially exempt. The practical implication of this was that ticket sales for entry to the house would no longer have VAT applied and a de-minimis rule would allow us to reclaim VAT on non-trading supplies and that we could reclaim this from the past 5 years. We would however be liable to repay VAT for 10% of the capital build costs incurred in 2007. Going forward we will be liable for VAT on any capital project. In the short term this has improved our cash flow. The other factor helping cashflow has been the Bounce back loan from government which we took out in May 2020 for £43,000. This is repayable over 10 years, the first year being interest free and then 2.5% with no penalty for early repayment.

## **The 78 Derngate Northampton Trust**

### **Trustees' Report**

Also, at the start of the year we had gained planning approval for the extension and had raised enough funds to enable us to go out to tender for the extension. It was felt that if we could secure a contract over the lockdown period it would be beneficial. Unfortunately, the tenders all came in above budget and a pause was put on the project to consider our options. At that time, we were approached by the Borough Council to see if there was any scope to be included in the government 'Town Fund' (regeneration) initiative. We were successful in becoming part of that bid which includes funding the shortfall in the extension and an additional initiative to extend the garden of 82 and provide car parking for staff and disabled visitors. At the time of writing, we are awaiting planning permission for the garden and car park and the Councils bid for funding was successful.

Other initiatives during lockdown include the redesign of the website and the introduction of online booking and payment for tickets to be introduced in the spring of 2021. The latter was funded by a European Union grant administered by SEMLEC.

I would like to take this opportunity to thank our Chairman, Mick Young, our House Manager, Liz Jansson and volunteer Mike Hicks for being so supportive throughout.

#### ***Human resources***

No major changes took place.

#### ***Internal and external factors***

The performance of the trust in terms of visitor numbers and the turnover of the business in terms of revenue very much depend on external factors beyond our control.

### **FINANCIAL REVIEW**

#### ***Reserves policy***

The Trust aims to have a minimum of £25,000 of free reserves as a contingency.

#### ***Principal funding sources***

In a normal year most day to day expenditure is funded from paying visitors and shop trading. This year our principle funding source has been the refund of VAT and Government grants related to covid 19.

Cost savings are continually being investigated.

### **FUTURE DEVELOPMENTS**

At the time of writing this report the Trust was awaiting planning permission for the garden extension and car parking development to the rear of 82. If successful we anticipate funding from the Town Fund becoming available to enable a contractor to be engaged for the atrium and garden extensions. The Trust has been accepted by the Arts Council for the accredited museums scheme which we hope to complete in 2 years.

#### **Disclosure of information to auditor**

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.



## **The 78 Derngate Northampton Trust**

### **Trustees' Report**

#### **Small companies provision statement**

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

#### **Reappointment of auditor**

The auditors IO. Chartered Accountants are deemed to be reappointed under section 487(2) of the Companies Act 2006.

The annual report was approved by the trustees of the charity on 23/4/20 and signed on its behalf by:

A handwritten signature in dark ink, appearing to read 'L Patterson', written over a dotted line.

L Patterson  
Company Secretary



## **The 78 Derngate Northampton Trust**

### **Statement of Trustees' Responsibilities**

The trustees (who are also the directors of The 78 Derngate Northampton Trust for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and 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 charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees of the charity on 23/4/20 and signed on its behalf by:

  
.....  
L Patterson  
Company Secretary

## **The 78 Derngate Northampton Trust**

### **Independent Auditor's Report to the Members of The 78 Derngate Northampton Trust**

#### **Opinion**

We have audited the financial statements of The 78 Derngate Northampton Trust (the 'charity') for the year ended 31 December 2020, which comprise the Statement of Financial Activities, Balance Sheet, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2020 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.

#### **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 original financial statements were 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 trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.



## **The 78 Derngate Northampton Trust**

### **Independent Auditor's Report to the Members of The 78 Derngate Northampton Trust**

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

#### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Trustees' Report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified by law are not made; 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 (set out on page 7), the trustees 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 charity or to cease operations, or have no realistic alternative but to do so.

## **The 78 Derngate Northampton Trust**

### **Independent Auditor's Report to the Members of The 78 Derngate Northampton Trust**

#### **Auditor's responsibilities for the audit of the financial statements**

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the charity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the charity audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

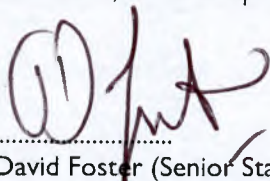


## **The 78 Derngate Northampton Trust**

### **Independent Auditor's Report to the Members of The 78 Derngate Northampton Trust**

#### **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.



.....  
Mr J David Foster (Senior Statutory Auditor)

For and on behalf of IO. Chartered Accountants, Statutory Auditor

10 Cheyne Walk  
Northampton  
Northamptonshire  
NN1 5PT

Date: 23/4/20.....

## The 78 Derngate Northampton Trust

### Statement of Financial Activities for the Year Ended 31 December 2020 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2020 £
<b>Income and Endowments from:</b>				
Donations and legacies	3	75,813	324,342	400,155
Investment income	4	282	-	282
Other income	5	<u>12,570</u>	<u>-</u>	<u>12,570</u>
Total income		<u>88,665</u>	<u>324,342</u>	<u>413,007</u>
<b>Expenditure on:</b>				
Raising funds		(60,844)	-	(60,844)
Charitable activities	6	<u>(49,522)</u>	<u>-</u>	<u>(49,522)</u>
Total expenditure		<u>(110,366)</u>	<u>-</u>	<u>(110,366)</u>
Net (expenditure)/income		<u>(21,701)</u>	<u>324,342</u>	<u>302,641</u>
Net movement in funds		(21,701)	324,342	302,641
<b>Reconciliation of funds</b>				
Total funds brought forward		<u>3,034,267</u>	<u>97,924</u>	<u>3,132,191</u>
Total funds carried forward	18	<u><u>3,012,566</u></u>	<u><u>422,266</u></u>	<u><u>3,434,832</u></u>

The notes on pages 15 to 25 form an integral part of these financial statements.



# The 78 Derngate Northampton Trust

## Statement of Financial Activities for the Year Ended 31 December 2020 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2019 £
<b>Income and Endowments from:</b>				
Donations and legacies	3	56,722	97,924	154,646
Investment income	4	646	-	646
Other income	5	16,818	-	16,818
Total income		<u>74,186</u>	<u>97,924</u>	<u>172,110</u>
<b>Expenditure on:</b>				
Raising funds		(98,734)	-	(98,734)
Charitable activities	6	(50,956)	-	(50,956)
Total expenditure		<u>(149,690)</u>	<u>-</u>	<u>(149,690)</u>
Net (expenditure)/income		<u>(75,504)</u>	<u>97,924</u>	<u>22,420</u>
Net movement in funds		(75,504)	97,924	22,420
<b>Reconciliation of funds</b>				
Total funds brought forward		<u>3,109,771</u>	<u>-</u>	<u>3,109,771</u>
Total funds carried forward	18	<u>3,034,267</u>	<u>97,924</u>	<u>3,132,191</u>

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2019 is shown in note 18.

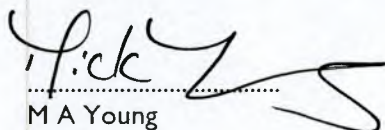
The notes on pages 15 to 25 form an integral part of these financial statements.

# The 78 Derngate Northampton Trust

(Registration number: 03495224)  
Balance Sheet as at 31 December 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	13	2,973,428	2,981,951
<b>Current assets</b>			
Stocks	14	15,430	17,447
Debtors	15	962	868
Cash at bank and in hand		<u>485,225</u>	<u>136,756</u>
		501,617	155,071
<b>Creditors: Amounts falling due within one year</b>	16	<u>2,787</u>	<u>(4,831)</u>
<b>Net current assets</b>		<u>504,404</u>	<u>150,240</u>
<b>Total assets less current liabilities</b>		3,477,832	3,132,191
<b>Creditors: Amounts falling due after more than one year</b>	17	<u>(43,000)</u>	<u>-</u>
<b>Net assets</b>		<u><u>3,434,832</u></u>	<u><u>3,132,191</u></u>
<b>Funds of the charity:</b>			
<b>Restricted income funds</b>			
Restricted funds		422,266	97,924
<b>Unrestricted income funds</b>			
Unrestricted funds		<u>3,012,566</u>	<u>3,034,267</u>
<b>Total funds</b>	18	<u><u>3,434,832</u></u>	<u><u>3,132,191</u></u>

The financial statements on pages 12 to 25 were approved by the trustees, and authorised for issue on 23/4/21 and signed on their behalf by:

  
M A Young  
Trustee

The notes on pages 15 to 25 form an integral part of these financial statements.



## **The 78 Derngate Northampton Trust**

### **Notes to the Financial Statements for the Year Ended 31 December 2020**

#### **1 Charity status**

The charity is limited by share capital, incorporated in England and Wales.

The address of its registered office is:

82 Derngate  
Northampton  
Northamptonshire  
NN1 1UH

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Statement of compliance**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

##### **Basis of preparation**

The 78 Derngate Northampton Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

##### **Going concern**

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

##### **Exemption from preparing a cash flow statement**

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

##### **Income and endowments**

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

## **The 78 Derngate Northampton Trust**

### **Notes to the Financial Statements for the Year Ended 31 December 2020**

#### ***Donations and legacies***

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

#### ***Grants receivable***

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

#### ***Gift aid***

Incoming resources from tax reclaims are included in the Statement of Financial Activities at the same time as the gift to which they relate.

#### ***Investment income***

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

#### ***Expenditure***

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

#### ***Raising funds***

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

#### ***Governance costs***

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.



## **The 78 Derngate Northampton Trust**

### **Notes to the Financial Statements for the Year Ended 31 December 2020**

#### **Taxation**

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### **Tangible fixed assets**

Individual fixed assets costing £250.00 or more are initially recorded at cost.

#### **Depreciation and amortisation**

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Land and buildings	in accordance with the property
Plant and machinery	25% on cost

#### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

## **The 78 Derngate Northampton Trust**

### **Notes to the Financial Statements for the Year Ended 31 December 2020**

#### **Fund structure**

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

#### **Financial instruments**

##### ***Classification***

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

##### ***Recognition and measurement***

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.



## The 78 Derngate Northampton Trust

### Notes to the Financial Statements for the Year Ended 31 December 2020

#### **Fair value measurement**

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

#### **3 Income from donations and legacies**

	Unrestricted funds General £	Restricted funds £	Total funds £
Donations and legacies;			
Donations from individuals	-	60,940	60,940
Grants, including capital grants;			
Grants from other charities	-	263,402	263,402
Other income from donations and legacies	75,813	-	75,813
<b>Total for 2020</b>	<u>75,813</u>	<u>324,342</u>	<u>400,155</u>
<b>Total for 2019</b>	<u>56,722</u>	<u>97,924</u>	<u>154,646</u>

#### **4 Investment income**

	Unrestricted funds General £	Total funds £
Interest receivable and similar income;		
Interest receivable on bank deposits	282	282
<b>Total for 2020</b>	<u>282</u>	<u>282</u>
<b>Total for 2019</b>	<u>646</u>	<u>646</u>

# **The 78 Derngate Northampton Trust**

## **Notes to the Financial Statements for the Year Ended 31 December 2020**

### **5 Other income**

	<b>Unrestricted funds General £</b>	<b>Total funds £</b>
Fees and supplies	4,139	4,139
Rental income	<u>8,431</u>	<u>8,431</u>
<b>Total for 2020</b>	<u><u>12,570</u></u>	<u><u>12,570</u></u>
<b>Total for 2019</b>	<u><u>16,818</u></u>	<u><u>16,818</u></u>

### **6 Expenditure on charitable activities**

	<b>Note</b>	<b>Unrestricted funds Designated £</b>	<b>General £</b>	<b>Total funds £</b>
Governance costs	7	<u>36,870</u>	<u>12,652</u>	<u>49,522</u>
<b>Total for 2019</b>		<u><u>36,541</u></u>	<u><u>14,415</u></u>	<u><u>50,956</u></u>

In addition to the expenditure analysed above, there are also governance costs of £49,522 (2019 - £50,956) which relate directly to charitable activities. See note 7 for further details.



## The 78 Derngate Northampton Trust

### Notes to the Financial Statements for the Year Ended 31 December 2020

#### 7 Analysis of governance and support costs

##### Governance costs

	Unrestricted funds Designated £	General £	Total funds £
Audit fees			
Audit of the financial statements	-	1,200	1,200
Other fees paid to auditors	-	3,388	3,388
Marketing and publicity	-	3,487	3,487
Depreciation, amortisation and other similar costs	36,870	639	37,509
Other governance costs	-	3,938	3,938
<b>Total for 2020</b>	<u>36,870</u>	<u>12,652</u>	<u>49,522</u>
<b>Total for 2019</b>	<u>36,541</u>	<u>14,415</u>	<u>50,956</u>

#### 8 Net incoming/outgoing resources

Net incoming resources for the year include:

	2020 £	2019 £
Audit fees	1,200	1,145
Depreciation of fixed assets	<u>37,509</u>	<u>37,180</u>

#### 9 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

#### 10 Staff costs

The aggregate payroll costs were as follows:

	2020 £	2019 £
<b>Staff costs during the year were:</b>		
Wages and salaries	<u>22,731</u>	<u>45,282</u>

## The 78 Derngate Northampton Trust

### Notes to the Financial Statements for the Year Ended 31 December 2020

No employee received emoluments of more than £60,000 during the year.

#### 11 Auditors' remuneration

	2020 £	2019 £
Audit of the financial statements	<u>1,200</u>	<u>1,145</u>
<b>Other fees to auditors</b>		
All other non-audit services	<u><u>3,388</u></u>	<u><u>2,377</u></u>

#### 12 Taxation

The charity is a registered charity and is therefore exempt from taxation.

#### 13 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Total £
<b>Cost</b>			
At 1 January 2020	3,621,175	14,548	3,635,723
Additions	<u>28,986</u>	<u>-</u>	<u>28,986</u>
At 31 December 2020	<u><u>3,650,161</u></u>	<u><u>14,548</u></u>	<u><u>3,664,709</u></u>
<b>Depreciation</b>			
At 1 January 2020	640,502	13,270	653,772
Charge for the year	<u>36,870</u>	<u>639</u>	<u>37,509</u>
At 31 December 2020	<u><u>677,372</u></u>	<u><u>13,909</u></u>	<u><u>691,281</u></u>
<b>Net book value</b>			
At 31 December 2020	<u><u>2,972,789</u></u>	<u><u>639</u></u>	<u><u>2,973,428</u></u>
At 31 December 2019	<u><u>2,980,673</u></u>	<u><u>1,278</u></u>	<u><u>2,981,951</u></u>

Included in Land and Buildings is the historical Freehold cost of 82 Derngate and the historical cost of the Leasehold in 78-80 Derngate which has a lease period of 100 years.



# **The 78 Derngate Northampton Trust**

## **Notes to the Financial Statements for the Year Ended 31 December 2020**

### **I4 Stock**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Finished goods	<u>15,430</u>	<u>17,447</u>

### **I5 Debtors**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Trade debtors	<u>962</u>	<u>868</u>

### **I6 Creditors: amounts falling due within one year**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Trade creditors	840	1,707
VAT repayable	(3,630)	3,124
Other creditors	<u>3</u>	<u>-</u>
	<u>(2,787)</u>	<u>4,831</u>

### **I7 Creditors: amounts falling due after one year**

	<b>2020</b>
	<b>£</b>
Bank loans	<u>43,000</u>

## The 78 Derngate Northampton Trust

### Notes to the Financial Statements for the Year Ended 31 December 2020

#### 18 Funds

	Balance at 1 January 2020 £	Incoming resources £	Resources expended £	Balance at 31 December 2020 £
<b>Unrestricted funds</b>				
General	1,990,751	87,888	(72,719)	2,005,920
Designated	<u>1,043,516</u>	<u>-</u>	<u>(36,870)</u>	<u>1,006,646</u>
<b>Total unrestricted funds</b>	3,034,267	87,888	(109,589)	3,012,566
<b>Restricted funds</b>	<u>97,924</u>	<u>324,342</u>	<u>-</u>	<u>422,266</u>
<b>Total funds</b>	<u>3,132,191</u>	<u>412,230</u>	<u>(109,589)</u>	<u>3,434,832</u>
	Balance at 1 January 2019 £	Incoming resources £	Resources expended £	Balance at 31 December 2019 £
<b>Unrestricted funds</b>				
General	2,004,872	73,279	(112,242)	1,965,909
Designated	<u>1,104,899</u>	<u>-</u>	<u>(36,541)</u>	<u>1,068,358</u>
<b>Total unrestricted funds</b>	3,109,771	73,279	(148,783)	3,034,267
<b>Restricted funds</b>	<u>-</u>	<u>97,924</u>	<u>-</u>	<u>97,924</u>
<b>Total funds</b>	<u>3,109,771</u>	<u>171,203</u>	<u>(148,783)</u>	<u>3,132,191</u>

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

During the year the Charity received grants of £35k from Heritage Lottery Funding, £215k from Northampton Borough Council and £13.8k grants from other various sources. These grants are included in restricted funds and are only to be used against costs for the development of the Atrium as mentioned in the trustees report.

The trustees also agreed to restrict all donations received during the year of £61k to also be included in the separate restricted building fund account for the Atrium.



# **The 78 Derngate Northampton Trust**

## **Notes to the Financial Statements for the Year Ended 31 December 2020**

### **19 Analysis of net assets between funds**

	<b>Unrestricted funds</b>		<b>Total funds at 31 December 2020</b>
	<b>General</b>	<b>Designated</b>	
	<b>£</b>	<b>£</b>	<b>£</b>
Tangible fixed assets	29,625	2,943,803	2,973,428
Current assets	501,617	-	501,617
Current liabilities	2,787	-	2,787
Creditors over 1 year	(43,000)	-	(43,000)
Total net assets	<u>491,029</u>	<u>2,943,803</u>	<u>3,434,832</u>

	<b>Unrestricted funds</b>		<b>Total funds at 31 December 2019</b>
	<b>General</b>	<b>Designated</b>	
	<b>£</b>	<b>£</b>	<b>£</b>
Tangible fixed assets	4,859	2,977,092	2,981,951
Current assets	155,071	-	155,071
Current liabilities	(4,831)	-	(4,831)
Total net assets	<u>155,099</u>	<u>2,977,092</u>	<u>3,132,191</u>

